

***United States Court of Appeals
for the Second Circuit***



APPENDIX

ORIGINAL

77-5028/31

United States Court of Appeals
FOR THE SECOND CIRCUIT

In re

THE DUPLAN CORPORATION, DUPLAN FABRICS, INC.,

Debtors.

CHEMICAL BANK, THE FIRST NATIONAL BANK OF CHICAGO, NORTH
CAROLINA NATIONAL BANK AND SECURITY PACIFIC NATIONAL BANK,

Appellants,

UNITED STATES TRUST COMPANY OF NEW YORK, Successor Indenture Trustee
for the 5½% Subordinated Debentures of The Duplan Corporation, due February 1, 1994,

Appellant,

THE ROCHESTER JOINT BOARD AMALGAMATED CLOTHING
WORKERS OF AMERICA, AFL-CIO,

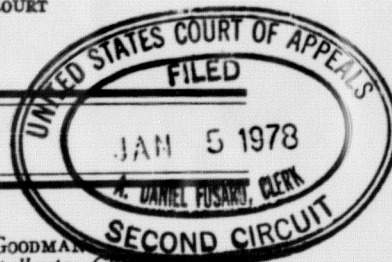
Appellee,

ALFRED P. SLANER, REORGANIZATION TRUSTEE,

Appellee.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

JOINT APPEAL DIX



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North Carolina National Bank and Secur-
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PAGINATION AS IN ORIGINAL COPY

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A 1
DOCKET ENTRIES

TAX ID# 56-0634558 Last First Middle			208		76 B 1967	
THE DUPLAN CORPORATION			CHAPTER OR SECTION CHAP. XI-322		CHECK IF ☒ Voluntary ☐ Involuntary ☐ Fee paid in installments ☒ Corporation ☐ Farmer ☐ Employee ☐ Professional ☐ Other (Non-business) ☐ Merchant ☒ Manufacturer ☐ Other (Business)	
			DATE PETITION FILED 8/31/76			
			DATE CLOSED			
			DISCHARGE ☒ Granted ☐ Denied ☐ Waived or not applied for			
ADDRESS OF BANKRUPT/DEBTOR (Number and Street) 1411 Broadway			DATE DISCHARGED			
CITY NEW YORK	ZONE	COUNTY NEW YORK	STATE N.Y.	PETITION DISMISSED? ☐ YES		DATE DISMISSED
				NAME OF JUDGE		CHAPTER UNDER WHICH CASE WAS PENDING WHEN DISMISSED
				NAME OF REFEREE JOHN J. GALGAY		
NO ASSET CASES ONLY CLAIMS AS SCHEDULED ☒			TOTAL \$	PRIORITY \$	SECURED \$	UNSECURED \$
ATTORNEY FOR BANKRUPT OR DEBTOR	NAMES AND ADDRESSES KRAUSE, HIRSCH & GROSS 41 E. 42nd St. New York, N.Y. 10017 986-1122					
ATTORNEY FOR PETITIONING CREDITORS						
RECEIVER						
ATTORNEY FOR RECEIVER						
TRUSTEE						
ATTORNEY FOR TRUSTEE						
CHANGES OF PRINCIPALS						

DATE	PROCEEDINGS
8/31/76	Filed Petition under Chapter XI-322 proceedings, Affidavit, Affidavit in Compliance with Rule XI-2-C, Ten Largest Creditors, Statement pursuant to Rule 219(b). Referred to Bkcy. Judge Galgay.
9/1/76	Received from the Clerk of the Court the above papers.
9/3/76	Received from the Clerk of the Court the above papers.
9/1/76	Order signed authorizing DIP to continue operating business, etc. Certified copies sent to the Secy. of the Treas. (9/31/76) (4 certified copies)

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Docket Entries

	PROCEEDINGS
2) 9/1/76	Order signed authorizing DIP to retain firm of <u>Kagawa Hirsch & Fuchs</u> as its attorneys. (8/31/76)
3) 9/1/76	Order signed staying creditors from proceeding with action. (8/31/76) (3 Certified Copies)
4) 9/1/76	ORDER SIGNED FOR PAYMENT OF FEDERAL TAXES. (8/31/76)
5) 9/1/76	Order signed 8/31/76 authorizing DIP to dispense with compliance with Rule XI-(1) & (2) (D) (re: filing of verified weekly statement of cash receipts & disbursements etc.
6) 9/2/76	OSC signed re: Why an order should not be made to have this case proceed under Chapter X rather than Chapter XI. Ret: 9/2/76 at 10:30AM. 10/12/76
9/2/76	Filed original & five copies of affidavit by William J. Scharffenberger DIP President of supplemental list of debtors creditors as of August 20, 1976.
2) 9/10/76 9/7/76	Order signed by Judge Babitt authorizing Debtors to retain the firm of Coopers & Lybrand as their accountants FILED <u>LETTER OF REQUEST - WORKSHEET.</u> HRG. 10/12/76 (10:00)
7) 9/10/76	Order signed by Judge Babitt authorizing Debtors to retain the firm of Coopers & Lybrand as their accountants
8) 9/10/76	Order signed by Judge Babitt authorizing Debtor to retain the firm of Nickerson, Kramer, Lowenstein, Nessen, Kamin & Soll, Esqs. as special counsel
9) 9/10/76 9/2/76	Order signed by Judge Babitt authorizing payment of unpaid wages MAILED <u>17</u> NOTICES OF RULE XI-4 H & C. Filed <u>FW</u> AFFIDAVIT OF MAILING. RET. 10/12/76 (10:00)
10) 9/13/76	Order signed authorizing payment of officers salaries
11) 9/16/76	Order signed authorizing borrowing of money and granting security interest
12) 9/16/76	Order signed extending time for Debtor to file schedules, statement of affairs and statement of executory contracts to 10/15/76

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Docket Entries

76 B 1967 JJG

THE DUPLAN CORPORATION

DOCKET NUMBER

	DATE	PROCEEDINGS
13)	9/16/76	Amended Order signed authorizing sale of accounts receivable, receipt of advances, and repayment of advances
14)	9/17/76	Order signed authorizing payment of pre-petition insurance premiums and pre-payment of post-petition premiums
	9/13/76	Rule XI-4 hearing held and adj. to 9/27 at 10:00
15)	9/20/76	OSC signed, re: for an order directing this case proceed under Chapter X. Ret: 10/5 at 11:00
	9/20/76	Filed memorandum of the Securities and Exchange Commission in support of its motion to have this case proceed under Chapter X. Ret: 10/5 at 11:00
	9/30/76	EPI MAILED 2626 NOTICES OF FIRST MEETING & DISCHARGE. Hrg. 10/12/76 10:00 Last DAY FOR FILING OBJ. TO DISCHARGE 11/12/76 and Notice of Motion to transfer proceedings from Chapter XI to Chapter X of the Bankruptcy Act
	9/30/76	Filed letter by Milton Klein, re: mailing list and notification of meetings. Copy of letter forwarded to attorneys
	9/30/76	Filed affidavit of service by attorney for Securities and Exchange Commission (Marvin E. Jacob), re: osc dated 9/20. Ret: 10/5 at 11:00
	9/30/76	Filed affidavit of service by attorney for Debtor, re: osc dated 9/20 (Chapter X). Ret: 10/5 at 11:00
	10/1/76	Filed letter by Coopers & Lybrand, accountants, re: invoice for services rendered to Debtor for the period 8/31 to 9/26/76
	10/4/76	Filed affidavit of service by attys for US TRUST COMPANY of NY re: Mtn to transfer case. Ret: 10/5/76 at 11:00
	10/4/76	Filed affidavit of Malcolm Hood in support of motion of the securities and exchange commission to have this case proceed under Chapter X of the Bankrupt Act by attorneys for U.S. Trust Co. of N.Y. Ret: 10/5 at 11:00
16)	10/5/76	Order signed that the Transfer Motion of the Securities and Exchange Commission be granted and the cases of the Duplan Corporation and Duplan Fabrics, Inc. proceed under Chapter X of the bankruptcy act.
17)	10/5/76	Order signed authorizing payment to the Amalgamated Clothing Workers Union

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Docket Entries

DATE	PROCEEDINGS
18) 10/5/76	Order signed authorizing the payment of insurance premiums to the Equitable Life Insurance Company
19) 10/5/76	Order signed authorizing the relocation of offices
10/5/76	osc for case to proceed under Chapter X held and closed. Order signed adj. XI-4 adj. to first meeting 10/12 at 10:00
OCT 12 1976	Filed minutes re: hearing of <u>9/12/76</u>
10/8/76	Filed affidavit of service by attorneys for Indenture Trustee, U.S. Trust Company, re: order dated 10/5/76
10/12/76	First Meeting, adj. XI-4 dismissed. Transferred to Chapter X
10/13/76	Received from the District Court, order signed by U.S.D. Judge Kevin T. Duffy appointing Alfred P. Slaner, 645 Fifth Avenue, New York, N.Y. 10022 as Trustee Bond set at \$300,000.00
10/15/76	Filed affidavit pursuant to Rule X-8(a) by Trustee
10/15/76	Received from District Court order signed by U.S.D. Judge K.T. Duffy authorizing Trustee to employ and retain the law firm of Shea Gould Climenko & Casey as his attorneys
10/15/76	Received from District Court order signed by U.S.D. Judge K.T. Duffy authorizing sale of Kingston, Pennsylvania property
11/3/76	Filed Statement by Indenture Trustee pursuant to Bankruptcy Rule. 10-211(a). Curtis Mallet-Prevost Colt & Mosle, f. PAPER#
11/5/76	(1) Filed ORDER OF CONSOLIDATION for Procedural Purposes, under 76 B 1976. So ordered Duffy, J. dated 11/1/76.
11/5/76	(2) Filed ORDER that trustee to pay over to Brittany Dyeing & Printing Corp. of New Bedford, Mass., \$126,323.70 in full and complete payment. So ordered Duffy, J. dated 11/3/76.
11/9/76	(3) Filed MOTICE OF INTERVENTION & REQUEST. So ordered Duffy, J. dated 11/5/76.
11-12-76	(4) Filed Order that the Trustee, Alfred P. Slaner is to maintain regular checking accounts, payroll accts., tax and trust accts., and such other accts. as he may deem necessary in the operation of the business of the debtors. etc. So Ordered. Duffy J. f (11/12/76)

Docket Entries

THE DUPLAN CORP.

76 B 1967 --76 B 1966

PAPER#

DOCKET NUMBER

DATE	PROCEEDINGS
11/17/76	(5) Filed transcript of record of proceedings, dated 10/17/76
11/19/76	(6) Filed NOTICE to attorney for creditors.
11/23/76	(7) Filed ORDER that Alfred P. Slaner Trustee herein be & he hereby is authorized to employ Chemical Bank as The Duplan Corporation's transfer agent etc. So ordered Duffy dated 11/23/76.
11/23/76	(8) Filed ORDER that Alfred P. Slaner, as reorganization Trustee herein, be & he hereby is authorized to cause DWK Fabrics by Duplan etc. So ordered Duffy, J. dated 11/23/76.
11/23/76	(9) Filed ORDER that Alfred P. Slaner Trustee hereby is authorized to employ & retain the firm of S.D. Leidesdorf & Co. with offices at 100 E. 42nd St. NY, as his certified public accountants to assist him etc. So ordered Duffy, J. dated 11/23/76.
12/3/76	(10) Filed ORDER TO SHOW CAUSE, authorizing & empowering Alfred P. Slaner as reorganization Trustee. Ret: 1/4/77 at 10 A.M. Room 36. So Ordered Duffy, J. dated 12/2/76.
12/6/76	(11) Filed ORDER that Alfred P. Slaner as reorganization Trustee herein be & he hereby is authorized to cause The Duplan Corp. to pay to Coopers & Lybrand for professional services rendered. So ordered Duffy, J. dated 12/3/76.
12/6/76	(12) Filed ORDER that Alfred P. Slaner as reorganization Trustee is authorized to employ & retain the firm of S.D. Leidesdorf & Co. with offices at 100 E. 42 St., N.Y.C. etc. So ordered Duffy, J. dated 12/3/76.
12/7/76	(13) Filed SUPPLEMENTAL AFFIDAVIT in regards to Chemical Bank. f.
12/7/76	(14) Filed Statement of Operations for the Month Ended Oct. 31, 1976. f.
*12/8/76	* HEARING BEGUN AND CONCLUDED.
12/10/76	(15) Filed Statement of Operations for the Month Ended October 31, 1976.

PAPER#

- 12/10/76 (16) Filed William G. Palmer, AFFIDAVIT OF MAILING of envelopes.
- 12/14/76 (17) Filed ORDER that Trustee be & hereby is authorized to make payment to WF&G and Bell, Seltzer, Park & Gibson on a month to month basis, for future disbursement expenses including but not limited to contributions to the Common Fund & fees & expenses, etc. So ordered Duffy, J. dated 12/14/76.
- 12/15/76 (18) Filed Joan P. Chisholm's AFFIDAVIT OF MAILING of USDC Notice dated 11/3/76, to registered holders of certificates of Stock dated 11/5/76. f.
- 12/15/76 (19) Filed ORDER Alfred P. Slaner is authorized to employ, retain & appoint Philip I. N. Alperdt, Esq. as his special counsel in the Levine Arbitration Association, the same shall be subject to the approval of this Court upon the filing of an appropriate application therefor. So ordered Duffy, J. dated 12/14/76.
- 12/15/76 (20) Filed ORDER of this Court dated 10/5/76 is amended so as to authorize the Rochester Button Co, to expend such sums of money, in the sum of \$44,000, that will be necessary to perform the office construction etc. & the order of this court dated 10/5/76 shall hereby continue in full force & effect. So ordered Duffy, J. dated 12/14/76.
- 12/21/76 (21) Filed I. WALTON BADER, Affirmation in support of Application for Sale of Industrial plant in Laurenberg, North Carolina & for Machinery & Equipment.
- 12/29/76 (22) Filed Statement Pursuant to Section 210 of the Bkcy. Act and Chapter X Rule 10-211(a). f.
- 1/4/77 * HEARING BEGUN ON ORDER TO SHOW CAUSE Ret: 1/4/77.
- /10/77 (23) Filed AFFIDAVIT of Robert G. Zack, on behalf of the Indenture Trustee in support of Alfred P. Slaner application as reorganization Trustee of the above named debtors dated 11/22/76. f.
- 1/10/77 (24) Filed Order Authorizing Sale. So Ordered Duffy, J. dated 1/7/77 at 4:59 P.M.
- /12/77 (25) Filed APPRAISAL OF The Duplan Plant & 15.3 Acres of Land located outside of Laurinburg, N.C. Sub. by Zollie A. Collins, M.A.I. Elliott & Collins, Inc.

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Docket Entries

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DATE	PAPER #	PROCEEDINGS
1/12/77	(26)	Filed James D. Glass, AFFIDAVIT on behalf of the Banks partially in support & partially in opposition to Alfred P. Slaner's application as reorganization Trustee of the above Named debtors.
1/13/77	(27)	Filed ORDER EXTENDING TIME, to file lists of Creditors up to & including March 11, 1977. So ordered Duffy, J. dated 1/12/77.
1/19/77	(28)	Filed ORDER, That Alfred P. Slaner, as reorganization Trustee is authorized to further employ, retain & appoint Philip I.N. Alperdt, Esq. as his special counsel, etc. So Ordered Duffy, J. dated 1/12/77.
1/14/77	(29)	Filed STIP. & ORDER, Alfred P. Slaner is authorized to cause the Andrex Machines to be relocated as described in recital "D" etc. & shall be valid and enforceable upon its being so ordered by the Hon. Kevin T. Duffy, USD Judge. So ordered Duffy, J. dated 1/13/77.
1/18/77	*	HEARING CONTINUED from January 4, and Adj. Sine Die.
1/20/77	(30)	Filed PROOF OF PRIORITY CLAIM for TAXES, Account #SR OHB 11-635742.
1/24/77	(31)	Filed PROOF OF CLAIM IN BKCY.
1/24/77	(32)	Filed STATEMENT OF OPERATIONS for the Months Ended 10/30/76 and 11/28/76.
2/2/77	(33)	Filed ORDER, that Chemical Bk., No. Carolina Nat. Bk., The First Nat. Bk. of Chicago, and Security Pacific Nat. Bk. and any other Creditor, claimant or person holding or asserting any lien, claim, encumbrance, security int. or other charge against the Property, directed to execute & deliver to Alfred P. Slaner. So ordered Duffy, J. Dated 2/2/77.
2/7/77	(34)	Filed ORDER TO SHOW CAUSE, why an order should not be made & entered herein for the following relief, authorizing & empowering Alfred P. Slaner, as reorganization Trustee to assume the lease, etc. Ret: 2/15/77 at 10:00 A.M. Room 36. f.
2/8/77 *****	(35)	Filed COMPLAINT & ISSUED SUMMONS. f.

FORM BK 74-E
SEPT. 1968

UNITED STATES DISTRICT COURT

BANKRUPTCY DOCKET—CONTINUATION

A 8
Docket Entries

Paper#	
2/15/77 (36)	Filed ORDER TO SHOW CAUSE, by Shea Gould Climenko & Casey authorizing & empowering Alfred P. Slaner, as reorganization Trustee regarding the Shawmut division. Ret: 3/22/77 at 10:00 AM, in Room 318. f.
2/15/77 (37)	Filed AFFIDAVITS OF SERVICE & Publication of Celia Balbi.
2/18/77 (38)	Filed SUMMONS & NOTICE OF TRIAL or Pre-Trial Conference with respect to this complaint, has been set for 3/22/77 at 10:00 A.M in Room 318. f.
2/22/77 (39)	Filed AFFIDAVIT OF PUBLICATION of Tom Bowen f.
2/22/77 (40)	Filed J. Sinclair Armstrong's AFFIDAVIT .
2/22/77 (41)	Filed Arnold A. Hackmyer's AFFIDAVIT.
2/22/77 (42)	Filed AFFIDAVIT OF SERVICE by the US Post Office Dept. of Celia Balbi.
2/22/77 (43)	Filed J. Sinclair Armstrong's AFFIDAVIT in opposition to the application, etc.
2/22/77 (44)	Filed James D. Glass's AFFIDAVIT.
2/22/77 (45)	Filed I. Walton Bader's AFFIRMATION with the application by the Reorganization Trustee to Authorize the sale.
2/22/77 (46)	Filed I. Walton Bader's AFFIRMATION in connection with application of the Trustee in Reorganization concerning the reorganization Trustee's request to permit Duplan to guaranty certain indebtedness of its subsidiary companies.
2/22/77 (47)	Filed STATEMENT PURSUANT to Section 210 of the Bkcy. Act and Chapter X Rule 10-211(a), of Zalkin, Rodin & Goodman.
2/22/77 (48)	Filed STATEMENT PURSUANT TO SECTION 210 of the Bkcy. Act and Chapter X Rule 10-211(a), of Bresler Kallman Hackmyer & Walzer.
2/22/77 (49)	Filed STATEMENT Pursuant to Section 211 of the Bkcy. Act and Chapter X Rule 10-211(a) of Bradford Trust Co.
2/22/77 (50)	Filed NOTICE OF COUNTER SETTLEMENT, Ret: 1/4/77 at 10:00 A. M. in Room 36.
2/22/77 (51)	Filed ORDER that Alfred P. Slaner, as reorganization Trustee herein, be & he hereby is authorized to further employ retain & appoint Philip I.N. Alperdt, Esq. as his special counsel to represent him, etc. So ordered Duffy, J. dated 2/18/77.

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Docket Entries

THE DUPLAN CORP.

SECRET NUMBER

76 B 1967

DATE	PAPER #	PHYSICAL FILE #
2/22/77	(52)	Filed ORDER that Alfred P. Slaner, as reorganization Trustee herein, be & is authorized to reimburse Willkie Farr & Gallagher for out-of-pocket disbursements & expenses incurred in Nov. & Dec. 1976 in conjunction with the DMRC Litigation in the amount of \$7,029.14. So ordered Duffy, J. dated 2/18/77.
2/22/77	(53)	Filed ORDER that Alfred P. Slaner, as reorganization Trustee is authorized to do all things & to execute such documents & Papers, including the Continuing Agreement for Financial Accommodation etc. So ordered Duffy, J. dated 2/18/77.
2/22/77	(54)	Filed ORDER that except as so amended the order of this Court dated 12/3/76 be & the same shall remain in full force & effect. So ordered Duffy, J. dated 2/18/77.
2/15/77	**	CONFERENCE HELD and CONCLUDED Re: Order to Show Cause Ret; 2/24/77---Duffy, J.
2/25/77	*	Received letter from I. Walton Bader 2/18/77.
2/28/77	(55)	Filed ORDER, that Alfred P. Slaner, as reorganization Trustee is authorized & empowered to sell & assign his respective ints., the property & the Unimproved Real Estate such sale shall be free & Clear of all liens, etc. So ordered Duffy, J. dated 2/24/77.
3/8/77	(56)	Filed STIPULATION, that Deft's. time to answer the Complaint in the Adversary Proceeding commenced 2/28/77 to & including 3/14/77, and pre-trial conference with respect to the Adversary Proceeding is adjourned from 3/4/77 to 3/18/77 at 10:00 A.M. Room 318. So ordered Duffy, J. dated 3/8/77.
3/9/77	(57)	Filed AMENDED COUNTER-ORDER, that the Order of this court dated 10/6/76 is amended so as to provide for the monthly operating reports. keep all interested parties informed with respect to guarantees executed pursuant to this order during the period covered by said operating reports. So Ordered Duffy, J. dated 3/9/77.

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Docket Entries

3/11/77 A HEARING began on Appraisers Report on Sale of Yarn Division Machinery & Equipment, also Cont'd. Creditors Meeting.

3/13/77 (59) Filed SPEIZMAN INDUSTRIES, INC. Appraiser's Report. Sub. by Shea Gould Climenko & Casey. f.

3/21/77 (59) Filed THOMAS BRADY'S AFFIDAVIT OF SERVICE, of Notice of Settlement Order & Application dated 3/3/77. f.

3/11/77 (60) Filed ORDER, that Application & file with this court & the reorganization Trustee, not later than 3/18/77 that Spellman Ind. Inc. appointed appraiser, report of his appraisal, for all of the services, he is to receive a sum of \$3,000. Appraiser's report shall be held before the undersigned in Room 318 on 3/22/77 at 10:00 A.M. So ordered Duffy, J. dated 3/11/77.

3/22/77 (61) Filed John P. Campbell's AFFIDAVIT with respect to the application of the reorganization trustee, dated 2/15/77, for a hearing on 3/22/77, at 10:00. f.

3/22/77 (62) Filed Celia Balbi's AFFIDAVIT OF SERVICE, Deponent served the within Order to Show Cause & Application on 2/17/77, upon those listed on the Schedule, by depositing a true & correct copy of enclosed & addressed in post paid envelope. Certification of Publication of Theresa Dowling dated 3/15/77.

3/23/77 (63) Filed NOTICE OF MOTION to Dismiss Complaint upon the grounds that Complaint fails to state a claim upon which relief can be granted. f.

3/23/77 (64) Filed TRUSTEE'S MEMORANDUM OF LAW in Support of Motion to Dismiss complaint. Sub. by Shea Gould Climenko & Casey. f.

3/23/77 (65) Filed STIPULATION & ORDER, Defts. time to answer Adversary Proceeding commenced 2/8/77 & extended from 3/14/77 including 3/28/77. The pre-trial conference it is adj; from 3/18/77 to 4/1/77 at 10:00 AM Room 318. So ordered Duffy, J. dated 3/23/77.

3/24/77 (66) Filed Copy of Statement of Operations for the Month and Quarter Ended January 2, 1977.

3/24/77 (67) Filed Copy of Statement of poerations fro the month and Four Months Ended 1/30/77.

3/22/77 *****HEARING Continued from 3/11/77 on o/s/c Filed 2/15/77.

3/24/77 *****HEARING Continued from 3/22/77 & Concluded.

(Cont'd Pg. 10)

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Docket Entries

DATE	PAPER #	PROCEEDINGS
3/24/77	(68)	Filed ORDER TO SHOW CAUSE, WHY AN ORDER should not be made & entered to sell transfer & convey all of his right etc. Ret: 5/3/77 at 10:00 A.M in Room 318. So Ordered Duffy, J. dated 3/24/77. f.
3/28/77	(69)	Filed ORDER, that certain indebtedness to be incurred by certain wholly-owned subsidiaries, is amended as follows: The word "trade" on page 2, line 16, is changed to "merchandise." So ordered Duffy, J. dated 3/28/77.
3/30/77	(70)	Filed REQUEST FOR NOTICE, of Milliken Research Corp. f/k/a Deering Milliken Research Corp. that notice of the time fixed for filing proofs of claim etc. f.
3/30/77	(71)	Filed AMENDED & SUPPLEMENTAL COMPLAINT, by Zalkin, Rodin & Goodman.
3/30/77	(72)	Filed ORDER, that Cutters Exchange Inc. is appointed appraiser to prepare & file with this Court & the Trustee, not later than the 4/11/77 a report of his appraisal in accordance with the rules of this Court etc. So ordered Duffy, J. dated 3/28/77.
3/30/77	(73)	Filed ORDER, that the time within which Alfred P. Slaner, shall file a plan for the reorganization of the debtors, or a report why a plan cannot be formulated be & the same is extended for a period ending three months following the filing of the report. So ordered Duffy, J. dated 3/28/77.
3/30/77	(74)	Filed STIPULATION, that the amended & supplemental complaint, a copy may be served by the attys. for the Pltffs. above named without a motion pursuant to Rule 15(d) of the Federal Rules of Civil Procedure, etc. So ordered Duffy, J. dated 3/25/77.
3/31/77	(75)	Filed Henry Lewis Goodman's Affidavit in partial opposition to the Application of Alfred P. Alaner dated 3/1/77.
4/1/77	(76)	Filed STENOGRAPHER'S MINUTES, dated March 22, 24, 1977.

(Cont'd Page 11)

PAPER

- 4/1/77 (77) Filed ORDER That except as so amended, th order of this Court dated 3/11/77 be and the same shall remain in full force & effect. So ordered Duffy, J. dated 3/30/77.
- 4/7/77 (78) Filed transcript of record of proceedings dated 4/4/77
- 6/7/77 (79) Filed ORDER to pay the Equitable Life Assurance Society of the U. S. the sum of \$63,100.11, in addition to the \$100,000 previously, by Galgay, J. dated 10/5/76, representing both pre-petition adjustment premiums for "covered" employees for June, July & August 1977 etc. So ordered Duffy, J. dated 4/6/77.
- 4/7/77 (80) Filed ORDER that Trustee is authorized to purchase, certificates of deposit from any designated depository of this court, as defined in the order of this Court dated 11/15/76, for terms not in excess of 180 days at prevailing rates of int. So ordered Duffy, J. dated 4/7/77.
- 4/7/77 (81) Filed ORDER of 10/6/76 is amended by the addition of the following decretal paragraph: ORDERED, that Alfred P. Slaner, as reorganization Trustee herein, be & he hereby is authorized to employ & retain, as he deems necessary, on behalf of the Duplan Corp. or Duplan Fabrics, Inc. those officers whose functions are of a ministerial nature at levels of compensation that do not exceed \$25,000 per annum provided that any salary increase that might be paid to such officers shall not exceed 12% per annum. So ordered Duffy, J. dated 4/7/77.
- 4/8/77 (82) Filed NOTICE OF APPEAL to USCA by Chemical Bk., The First Nat. Bk. of Chicago, No. Carolina Nat. Bk. & Security Pacific Nat Bk. from the Amended Counter-Order of Duffy, J. dated 3/9/77. m/n f.
- 4/8/77 (83) Filed NOTICE OF APPEAL to USCA by Chemical Bk, The First Nat. Bk. of Chicago, No. Carolina Nat. Bk. & Security Pacific Nat. Bk. from the Order of Duffy, J. dated 3/30/77. m/n f.
- 4/7/77 (84) Filed MEMORANDUM OF THE Securities & Exchange Commission in Opposition to Application of Reorganization Trustee for Sale of Shawmut Division. Sub.by, Marvin E. Jacob.
- 4/8/77 (85) Filed UNDERTAKING FOR COSTS ON APPEAL- Fidelity & Deposit Co.
- 4/8/77 (86) Filed UNDERTAKING FOR COSTS ON APPEAL-Fidelity & Deposit Co.

A 13
Docket Entries

DATE	#PAPER	PROCEEDINGS
4/13/77	(87)	Filed ORDER, that notice of the annexed application described in paragraph 12 and the same shall hereby have been deemed sufficient; & ordered that except as amended the 3/11/77 order of this Court shall remain in full force & effect. So ordered Duffy, J. dated 4/13/77.
4/14/77	(88)	Filed STIP. & ORDER, THE PRE-TRIAL conference with respect to the Adversary Proceeding, is Adj. to 5/3/77 at 10:00 A.M. in Room 318. So ordered Duffy, J. dated 4/14/77.
4/14/77	(89)	Filed MEMORANDUM of the Indenture Trustee in Opposition to the Application of the Reorganization Trustee to Sell the Shawmut Division. Sub. by Curtis, Mallet-Prevost, Colt & Mosle. With AFFIDAVIT of Personal Service attached.
4/15/77	(90)	Filed STATEMENT OF OPERATIONS for the Month and Five Months Ended 2/27/77.
4/15/77	(91)	Filed, LADY SUZANNE FOUNDATIONS, INC. Appraisal Report of Cutters Exchange Inc. Sub. by Shea Gould Climenko & Casey.
4/15/77	(92)	Filed TRUSTEE'S MEMORANDUM RE: SALE of the Shawmut Division of the Duplan Corp. Sub. by Shea Gould Climenko & Casey. f.
4/15/77	(93)	Filed AFFIDAVIT OF SERVICE of David Brauser served the within Memorandum on 4/14/77.
4/18/77		Received Letter from James D. Glass, that the appraisal report has not yet been received and will request an adjournment of both matters to 5/3/77 at 10:00 A.M. On behalf of the Senior Secured Bk. Lenders they consented to the adj.
4/27/77	(94)	Filed OPINION# 45836, adequate cause for the sale of Shawmut has been shown. The agreement is approved as amended & Trustee is authorized to sell Shawmut to Wyner on the terms stated, including Wyner's surrender of the Duplan notes in the face value of \$ 343,000. All liens, claims, encumbrances, security Interests on Shawmut's assets will be transferred to that portion of proceeds received by the Trustee & allocated etc. So ordered Duffy, J. dated 4/26/77.

Copy to BKey. Judge.

UNITED STATES DISTRICT COURT

A 14
Docket Entries

PAPER#

- 4/29/77 (95) Filed RESPONSE OF ERNEST SCRAGG & SONS LTD. to Order to Show Cause and Application to sell certain Assets located at the Dillon, South Carolina Plant of the Duplan Corp.
- 5/3/77***** Conference Held Re: ORDER TO SHOW CAUSE--- Motion to have o/s/c/ marked withdrawn- Granted.
- 5/3/77 (96) Filed Celia Balbi's AFFIDAVITS OF SERVICE & Publication. Deponent served the within OSC & Application on 3/30/77 upon those listed on the Schedule.
- 5/3/77 (97) Filed ANSWER, of Alfred P. Slaner to the amended & supplemental complaint of Chemical Bank (Chemical), etc. SGCKC
- 05-04-77 (98) Filed transcript of record of proceedings dated 01-18-77.
- 5/6/77 (99) Filed Trustee's Interrogatories. (First Set).
- 5/6/77 (100) Filed ORDER that Alfred P. Slaner, as reorganization Trustee herein, is authorized to reimburse Willkie Farr & Gallagher for out-of-pocket disbursements & expenses incurred in Jan. Feb. & March, 1977 in conjunction with the DMRC Litigation in the amt. of \$11,208.60. So ordered Duffy, J. dated 5/5/77.
- 5/13/77 (101) Filed STIPULATION & ORDER, that the Pre-trial conference with respect to the Adversary Proceeding, it is adj. from 5/3/77 to 5/16/77 at 10:00 in Room 619. So ordered Duffy, J., dated 5/13/77.
- 5/16/77 ***** Conference held Regarding Adj. First Meeting & Appraisal.
- 5/16/77 (102) Filed STATEMENT OF OPERATIONS for the Month & Six Months Ended 4/3/77.
- 05-17-77 (103) Filed copy of U.S.C.A. Order dispensing with transmission of the entire record to the U.S.C.A. Clerk U.S.C.A. dated 05-04-77.
- 5/23/77 (104) Filed transcript of record of proceedings dated 3/11/77 10A.M.
- 5/23/77 (105) Filed ORDER that Trustee is authorized to retain & employ Frederick H. Theesfeld, Jr. as a consultant to the Rochester Button Co. to aid production of Casein & Thru & Thru buttons described in the annexed application not to exceed \$100 per day & not to exceed the sum of \$5,00 etc. Duffy, J. dated 5/19/77.

A 15
Docket Entries

DATE	PAPER#	PROCEEDINGS
5/23/77	(106)	Filed ORDER that Alfred P. Slaner, as reorganization Trustee is authorized & empowered to sell, for the best price, all the Syntex, Knits East & Knits West divisions' machinery & equipment as more fully described in Exhibits "B" & "C" to the Application. etc. So ordered Duffy, J. dated 5/20/77.
5/31/77	(107)	Filed STIPULATION extending time to 7/18/77 and time for Pltffs. to object or answer Trustee's interrogatories (first set) is extended to & including 7/18/77. So ordered Duffy, J. dated 5/31/77.
5/31/77	(108)	Filed NOTICE OF ORIGINAL RECORD on Appeal has been Certified & Transmitted to the USCA on 5/31/77.
6/2/77	**	Received Letter for Duffy, J. dated 5/25/77 .
6/8/77	(109)	Filed ORDER TO SHOW CAUSE, why an order should not be made & entered directing Lee to perform dyeing & finishing activities owned by DWK Fabrics etc. Ret: 6/17/77 at 9:30 A.M. In room 619. So ordered Duffy, J. dated 6/6/77.
6/20/77	(110)	Filed STATEMENT OF OPERATIONS for the Month & seven Months ended 5/1/77.
6/20/77	(111)	Filed ORDER, That Trustee is authorized to do all things & to make execute & deliver any & all documents & papers as may be necessary or appropriate to effectuate the intent of this order. Duffy, J. dated 6/17/77.
6/20/77	(112)	Filed ORDER AMENDING 3/28/77 Order, Nunc Pro Tunc. Duffy, J. dated 6/18/77.
6/23/77	(113)	Filed AFFIDAVIT OF SERVICE by Celia Balbi, Deponent served the within Order to Show Cause & Application on 6/7/77, upon Franklyn Ellenbogen, Esq. 260 Madison Ave. N.Y. - Hugh J. Beard, Esq. 411 Law Building Charlotte, North Carolina.
7/1/77	**	Received Letter to Judge Duffy dated 6/23/77, by Woods & Woods.

(Cont'd Page 15)

A 16
Docket Entries

PAPER#

- 7/1/77 (114) Filed COMPLAINT of Pltff. Imperial Chemical Ind. Ltd. by attorneys, Davis Polk & Wardwell, for its complaint herein alleges upon information & belief: etc.
- 7/5/77 (115) Filed STATEMENT OF OPERATIONS for the month of and eight months ending May 29th, 1977
- 7/6/77 (116) Filed SUMMONS & NOTICE OF PRE-TRIAL CONFERENCE, to serve upon Davis Polk & Wardwell, Pltff's. attorneys, a motion or an Answer to the complaint on or before 7/29/77. Notified that a pre-trial conference with respect to this complaint has been set for 8/30/77 at 10A.M. in Room 36 Duffy, J. dated 7/1/77.
- 7/6/77 (117) Filed Plaintiff Imperial Chemical Ind. Ltd. AMENDED COMPLAINT.
- 7/7/77 **** July 5, 1977 Conference held & Concluded. Duffy, J.
- 7/8/77 (118) Filed Thomas Bradys AFFIDAVIT OF SERVICE on 6/28/77 of the within Notice of Settlement, Order & Application .
- 07-08-77 (119) Filed transcript of record of proceedings dated 05-03-77
- 7/11/77 (120) Filed ORDER That hearing may be adjourned from time to time without the necessity of giving further notice other than the announcement of such adj. date or dates at said hearing. Duffy, J. dated 7/11/77
- 7/20/77 (121) Filed Copy of ORDER FOR FIRST MEETING OF CREDITORS & Orders, combined with notice thereof & of Automatic Stay. Oct. 12, 1976 at 10:00 A.M. Room 234.
- 7/21/77 (122) Filed AGREEMENT date the 11 day of July 1977 between Bradford Tr. Co. etc. So ordered Duffy, J. dated 7/ /77
- 7/21/77 (123) Filed OPINION# 46187, that Beard has voluntarily relinquished possession of the goods to Lee, & , accordingly, its opposition to the show cause order is without merit. Settle Order on notice. Duffy, J. dated 7/21/77.
- 7/22/77 (124) Filed STIP. EXTENDING TIME for the pltff'f. to move with respect to serve their reply to the counterclaims in defts. answer dated 5/2/77, extended to 10/5/77. Pltff's. to object or answer Interrogatories extended to 10/5/77. So ordered Duffy, J. dated 7/22/77.

(cont'd Page 16)

A 17
Docket Entries

7/22/77	(125)	Filed ORDER that Trustee is authorized by Rochester to do all things, expending such sums of money to relocate Rochester's Atlanta Office & Equipment Division, to the New Premises, execute & deliver all documents & papers necessary or appropriate to effectuate the intent of this order. Duffy, J. dated 7/22/77.
7/25/77	(126)	Filed Celia Balbi's AFFIDAVIT OF SERVICE, Deponent served the within Notice of Entry & Order on 7/18/77, upon those listed on the schedule.
7/28/77	(127)	Filed ORDER, that a hearing on the appraiser's report shall be held before the undersigned in Room 619 on 10/12/77 at 10:00 A.M at which time any and all objections to the appraiser's report shall be made. Duffy, J. dated 7/27/77
7/28/77	(128)	Filed ORDER, that Trustee is authorized to negotiate, execute & deliver all documents & papers necessary to effectuate the establishment of the aforesaid credit facility with NCNB. Duplan & Fabrics now in the possession of NCNB solely by reason of the factoring agreement, annexed to the Application as Exhibit "B", or any amendment (pursuant to Court order). Duffy, J. dated 7/28/77.
8/4/77	(129)	Filed True Copy of Mandate of USCA-Re: Appeal from Order of District Judge Duffy, dated 3/30/77. Appeal may be withdrawn without costs & without attorney's fees & with prejudice-Clerk-dated 7/21/77.. Copy to Bkey. Judge.
8/8/77	(130)	Filed Attorney's Affirmation of Service by Mail, on 8/4/77 served the annexed Notice of Settlement Amended Order & Affidavit on Mr. Milton Klein, 84 Tardy Lane, Wantagh, N.Y.
8/8/77	(131)	Filed ORDER that Alfred P. Slaner, is authorized to reimburse Willkie Farr & Gallagher for out-of-pocket disbursements & expenses incurred in April, May & June, 1977 in conjunction with the DMRC Litigation in the amt. of \$2,393.30. Duffy, J. dated 8/4/77.

(Cont'd Page 17)

A 18
Docket Entries

PAPER#

- 8/8-77 (132) Filed STIPULATION & ORDER extending time & Adj. Pre-Trial Conference, with respect to the Adversary Proceeding be adj. from 8/30/77 to 10/12/77 at 10:00 A.M. in Room 619. Duffy, J. dated 8/1/77.
- 8-16-77 (133) Filed ORDER that the June 17th Order of this court is hereby affirmed, and it is further ordered that Shea Gould is discharged from all obligations with respect to the \$15,000 Certificate of Deposit. Duffy J. dated 08-15-77.
- 8-24-77 (134) Filed NOTICE OF ENTRY of an Order entered on 08-16-77.
- 8-24-77 (135) Filed Statement of Operations for the Month, Quarter and Nine Months ended July 3, 1977.
- 08-29-77 (136) Filed transcript of record of proceedings dated 07-05-77
- 08-29-77 (137) Filed Affdvt. of Service of an Order entered on the docket by Celia Balbi. dated 08-25-77.
- 09-06-77 (138) Filed ORDER that Alfred P. Slaner is authorized to comply with all of the provisions of the Memorandum of Agreement between the Rochester Button Company and The Rochester Amalgamated Clothing and Textile Workers Union as indicated. Duffy J. 09-02-77.
- 09-12-77 (139) Filed Trustee's Notice of Entry of the Order entered in this case 09-06-77.
- 09-14-77 (140) Filed Trustee's Answer to the Amended Complaint.
- 09-16-77 (141) Filed Statement of Operations for the month and ten months ending July 31st, 1977.
- 09-19-77 **** Filed Motion to Transfer Proceedings from XI to X. dated 09-03-76.
- 09-20-77 (142) Filed Trustee's Application in support of request for a first interim Allowance of Compensation for services rendered as Trustee for the period commencing with his appointment through 08-31-77.
- 09-20-77 (143) Filed Petition for Allowances to Accountants by S.D. Leidesdorf & Co. for services rendered.
- 09-20-77 (144) Filed Application for Allowances by Nickerson, Kramer, Lowenstein, Nessen, Kamin & Soll for services rendered.
- 09-20-77 (145) Filed Philip I.N. Alperdt's Verified Application in Part for Final Compensation for Services and for Reimbursement of Expenses, and for Interim Compensation for Services and for Reimbursement of Expenses.
- 9-28-77 (146) Filed Affdvt. by the Secured Bank Lenders in opposition to the Application of Duplan's Reorganization Trustee seeking an Order approving the Trustee's execution etc... of the "Agreement".
- 9-28-77 (147) Filed Statement of Operations for the Eleven Months Ended August 28, 1977 by Alfred P. Slaner.
- 28-77 (148) Filed Order that Alfred P. Slaner is authorized to employ A. Rosenthal Jr. & E. Marks as President & Vice-President respectively of the Rochester Button Co. etc... So Ordered Duffy, J dated: 9-27-77.

Slaner P. Slaner

A 9
Docket Entries

DATE	PROCEEDINGS	
10-05-77	(149)	Filed NOTICE OF MOTION of Pltff. Chemical Bank for an Order pursuant to Rule 12(b)(6) of the F.R.C.P. dismissing paragraph 8(b)(iv) of Deft's Second Defense and First Counterclaim and all of the Seventeenth Counterclaim. Ret. 10-18-77 at 2:15 P.M.
10-05-77	(150)	Filed Pltff's Memorandum of Law in Support of Motion to Dismiss a portion of Deft's Second Defense and First Counterclaim and all of the Seventeenth Counterclaim for failure to state a Claim upon which relief can be granted.
10-12-77	(151)	Filed ORDER TO SHOW CAUSE for an Order empowering the Trustee to Sell, transfer, and convey all of his right, title and interest in and to the plant located in Allentown, Penn. Ret. 10-19-77. at 10:00 A.M. in Rm. 619.
10-12-77	(152)	Filed Order that the Memorandum by and between Rochester and the Union is Approved and the Execution of the Memorandum is Authorized, etc. So Ordered Duffy J. 10-05-77.
10-12-77	(153)	Filed Stip. and Order that Pltff. Imperial Chemical Ind., Ltd. may serve and file a second Amended Complaint and that the pre-trial conference in this matter is adjourned to 12-07-77. So Ordered, Duffy J.
10-12-77	(154)	Filed Stipulation that pending settlement, the pre-trial conference Re: Pltff. Century Factors, Inc. is adjourned without date. So Ordered, Duffy J. 10-12-77.
10-12-77	(155)	Filed Stipulation that the time for Pltff. Chemical Bank, et al to answer Trustee's Interrogatories (first set) is extended to 11-02-77. So Ordered, Duffy J. 10-12-77.
10-13-77	*****	Pre-Trial Conference held and Concluded. 09-27-77 Duffy J. " " " " " " 10-12-77 "
10-13-77	(156)	Filed Trustee's various Affdvts. of Service and Publication.
10-14-77	(157)	Filed Secured Bank Lenders' Objections to Applications for Allowances and the Proposed Maximum Rates of Compensation in the Simplified Procedure. dated 10-10-77.
10-19-77	(158)	Filed Affdvts. of Publication of Agnes V. Grieco dated 10-12-77, R. J. Hummell dated 10-13-77 and Samuel Foley Jr. dated 10-14-77.
10-21-77	(159)	Filed Pltffs. Second Amended Complaint. 10-04-77.
10-28-77	(160)	Filed Trustee's Answer to second amended complaint . dt. 10-27-77.
10-31-77	(161)	Filed NOTICE OF APPEAL to the U.S.C.A. by Chemical Bank, The First National Bank of Chicago, North Carolina National Bank and Security Pacific National Bank from the Order of Judge Duffy dated 10-12-77. m/n

(continued on page 19)

A 20
Docket Entries

- 10-31-77 (162) Filed ORDER that the Trustee is authorized and empowered to accept the offer of Argo, to sell, transfer and convey all of his right title and interest in and to the Syntex Plant, etc.. Duffy J. 10-28-77.
- 11-01-77 (163) Filed Defts. Memorandum in Opposition to Pltff's. Notice of Motion filed 10-05-77. dated 10-31-77.
- 11-02-77 (164) Filed True Copy of Order from the U.S.CA. that the above appeal may be withdrawn without costs and without Attys fees and with prejudice. Fusaro, Clerk of USCA.
- 11-03-77 (165) Filed Affdvt. in Opposition to Dismissal of Substance of a portion of Deft's. Second Defense and First Counterclaim and all of Deft's. Seventeenth Counterclaim. Sub. by Pltff.
- 11-03-77 (166) Filed Pltff's. Answer to the amended and supplemental Complaint of the "Banks".
- 11-04-77 (167) Filed transcript record of proceedings ddt:9-27-77
- 11-04-77 (168) Filed Stip & Order that the time for the pltffs to Answer or Object to the Trustee's Interrogs. is ext. to 11-16-77. Duffy, J. dtd 11-4-77
- 11-04-77 (169) Filed Notice that the 1st Supplemental Record on Appeal has been transmitted to the U.S.C.A. 11-04-77.
- 11-07-77 (170) Filed Memorandum of the Securities and Exchange Commission on Application for Interim and Final Allowances and for the Establishment of a Procedure for Periodic Applications for Compensation.
- 11-07-77 (171) Filed Pltff's First Set of Interrogs.
- 11-07-77 (172) Filed Pltff's Reply to Counterclaims in the Trustee's answer etc.
- 11-07-77 (173) Filed Pltff's First Set of Requests for Admissions
- 11-07-77 (174) Filed NOTICE OF APPEAL to the U.S.C.A. by U. S. Trust Company from the Order of Judge Duffy dated 10-05-77. m/n
- 11-09-77 (175) Filed Memorandum of Law in Behalf of indenture Trustee in Opposition to Dismissal of Substance of Portions of Reorganization Trustee's Second Defense and First Counterclaim and all of the Reorganization Trustee's Seventeenth Counterclaim.
- 11-09-77 (176) Conference held and Concluded. 11-09-77
- 11-11-77 (177) Filed Notice that the 1st Supplemental Record on Appeal has been transmitted to the U.S.C.A. on 11-04-77.
- 11-11-77 (178) Filed transcript of record of proceedings dated 10-12-77
- 11-11-77 (179) Filed transcript of record of proceedings dated 10-19-77
- 11-11-77 (180) Filed U.S. Trust Co. of N.Y.'s Objections to Application for Order to Sell Machinery and Equipment, to Pay Engineers and Local North Carolina Counsel. dated 11-11-77.

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Docket Entries

DATE	PROCEEDINGS
11-14-77	181 Filed Amended Notice of Appeal to the U.S.C.A. for the Second Circuit from the order of U.S.D.C. Judge Duffy dtd; 10-5-77. m/n
11-14-77	(182) Filed Bond # J91 57 532 for Undertaking for Costs on Appeal In the Sum of \$250.00 by the Fidelity and Deposit

NOTICE OF SETTLEMENT, JUNE 30, 1977

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- x	In Proceedings for
	the Reorganization
In Re	of a Corporation
THE DUPLAN CORPORATION,	76 B 1967 (KTD)
DUPLAN FABRICS, INC.,	76 B 1968
Debtors.	
	<u>NOTICE OF SETTLEMENT</u>
----- x	

S I R S:

PLEASE TAKE NOTICE that an application and a proposed order thereon, of which the within are true copies, will be presented to the Honorable Kevin T. Duffy, United States District Judge, in Chambers, United States Courthouse, Foley Square, New York, New York on the 8th day of July, 1977 at 10:00 A.M.

Dated: New York, New York
June 30, 1977

Yours, etc.

SHEA GOULD CLIMENKO & CASEY
Attorneys for Trustee
330 Madison Avenue
New York, New York 10017

TO:

SECURITIES AND EXCHANGE COMMISSION
New York Regional Office
26 Federal Plaza
New York, New York
Att: Jerome Feller, Esq.

Notice of Settlement, June 30, 1977

ZALKIN, RODIN & GOODMAN
Attorneys for Bank Creditors
750 Third Avenue
New York, New York
Att: James D. Glass, Esq.

CURTIS, MALLET-FREVOST, COLT & MOSLE
Attorneys for United States Trust
Company of New York, Indenture Trustee
100 Wall Street
New York, New York
Att: Robert Zack, Esq.

BADER & BADER
Attorneys for Independent Investor
Protective League, Inc. and
Morris L. Lewy
270 Madison Avenue
New York, New York

HAHN, HESSEN, MARGOLIS & RYAN
Attorneys for Various Creditors
350 Fifth Avenue
New York, New York 10001
Att: William Fabrizio, Esq.

MR. MILTON KLEIN
84 Tardy Lane
Wantagh, New York 11794

STRIKER, STRIKER & STENBY
360 Lexington Avenue
New York, New York 10017
Att: Alan Israel, Esq.

KRANTZ, LANDAU, LIEB & NOSTRAND
Attorneys for Creditor
Rock National Corp.
60 East 42nd Street
New York, New York 10017

BRESLER KALLMAN HACKMYER & WALZER
Attorneys for Bradford Trust
99 Park Avenue
New York, New York
Att: Arnold Hackmyer, Esq.

PROPOSED ORDER BY REORGANIZATION TRUSTEE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- x		
In Re	:	In Proceedings for
	:	the Reorganization
	:	of a Corporation
THE DUPLAN CORPORATION,	:	
DUPLAN FABRICS, INC.,	:	76 B 1967 (KTB)
	:	76 B 1968
Debtors.	:	
	:	<u>ORDER</u>
----- x		

Upon the annexed application (the "Application") of Alfred P. Slaner as reorganization Trustee herein and sufficient cause appearing therefor and no adverse interest having been represented and upon all prior proceedings heretofore had herein, it is

NOW, on motion of Shea Gould Climenko & Casey, attorneys for the reorganization Trustee,

ORDERED, that the Memorandum of Agreement by and between the Rochester Button Company, a division of The Duplan Corporation, and The Rochester Joint Board Amalgamated Clothing Workers of America, AFL-CIO, a copy of which is annexed to the Application as Exhibit "D", be and the same hereby is approved and the execution of said Memorandum of Agreement be and the same is hereby authorized and it is further

ORDERED, that Alfred P. Slaner as reorganization Trustee herein, be and he hereby is authorized to do all things and to

make, execute and deliver all documents and papers as may be necessary or appropriate to effectuate the intent of this order.

Dated: New York, New York
July , 1977

U.S.D.J.

REORGANIZATION TRUSTEE'S APPLICATION, JUNE 30, 1977

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x	:	In Proceedings for
		the Reorganization
In Re	:	of a Corporation
THE DUPLAN CORPORATION,	:	76 B 1967 (KTD)
DUPLAN FABRICS, INC.,	:	76 B 1968
	:	
Debtors.	:	<u>APPLICATION</u>

-----x

TO: THE HONORABLE KEVIN T. DUFFY
UNITED STATES DISTRICT JUDGE

The application of Alfred P. Slaner respectfully shows
and alleges:

1. On August 31, 1976, the above-captioned debtors filed petitions under Chapter XI, Section 322 of the Bankruptcy Act. Thereafter, by order of the Honorable John J. Galgay Bankruptcy Judge, dated October 5, 1976, the motion of the Securities and Exchange Commission to transfer said Chapter XI cases to Chapter X was granted and by order of this Court dated October 6, 1976 your applicant was appointed Trustee in reorganization of The Duplan Corporation and Duplan Fabrics, Inc. Applicant is the duly appointed, qualified and acting Trustee of the debtors.

2. The Duplan Corporation ("Duplan") is a diversified textile and apparel company which directly and indirectly, through its various subsidiaries and divisions, is or has been

engaged in the manufacture and sale of double knit and warp knit fabrics, textured yarns, brassieres, buttons, children's sleepwear and ladies' underwear.

3. The Rochester Button Company ("Rochester") is a division of Duplan with headquarters in Rochester, New York and plants and sales offices situated throughout the United States and Canada. Its operation includes the manufacture and sale of a variety of men's and ladies' buttons and the sale of machines which attach belt loops to jeans.

4. Since Rochester's acquisition by Duplan in 1968, its operations have been conducted independently of Duplan with its sales and earnings (except in 1975) showing a consistent growth pattern. Annexed hereto and made a part hereof and marked Exhibit "A" is a summary of operations of Rochester for the 1971 through 1976 fiscal years. For the eight months ended May 29, 1977 Rochester has earned, before corporate charges, approximately \$731,000 on sales of approximately \$11,553,000.

5. Over the past years Rochester has been a party to certain collective bargaining agreements (the "Agreements") with The Rochester Joint Board Amalgamated Clothing Workers of America, AFL-CIO (the "Union"). Pursuant to the Agreements, Rochester has recognized the Union as the exclusive bargaining agent for its production and maintenance employees with reference to wages, hours and working conditions, at its Akron, Rochester and Wells-

ville, New York plants. The most recent Agreements covered the period June 1, 1974 through June 1, 1977. Copies of the Agreements are annexed hereto and made a part hereof and marked Exhibits "B" and "C", respectively.

6. Inasmuch as the Agreements were to expire on May 31, 1977, your applicant, his counsel, Rochester's management and the Union commenced negotiations with respect to the renewal of the Agreements. As a result of such negotiations, a Memorandum of Agreement (the "Memorandum") has been entered into, between Rochester and the Union, subject to this Court's approval. A copy of the Memorandum is annexed hereto and made a part hereof and marked Exhibit "D". The Memorandum effectively renews the Agreements for the period June 1, 1977 through September 30, 1980. The settlement with the Union, as documented in the Memorandum, has been ratified by the Union employees at the three plants covered by the Agreements. Such settlement provides for certain amendments with respect to the wages and benefits that the Union employees have heretofore been entitled to. An analysis of such amendments can be summarized as follows:

(a) An across-the-board wage increase, which is consistent with wage increases that have been realized by all clothing workers who are members of the Union, will result in a 30¢ per hour increase on June 1, 1977, January 30, 1978 and October 1, 1978; a 20¢ per hour increase will become effective on October 1, 1979.

(b) A cost of living adjustment has been factored into the Agreements effective on October 1, 1978. Such adjustment will provide a 5¢ per hour increase (with a maximum of 15¢ per hour), for each full 1% increase in the 1967 Consumer Price Index ("CPI") above 7-1/2% between April 1, 1977 and April 1, 1978. An additional cost of living adjustment of 5.3¢ per hour (with a maximum increase of 10¢ per hour), will be provided on October 1, 1979 for each full 1% increase in the CPI above 6% between April 1, 1978 and April 1, 1979.

(c) In order to comply with the Employee Retirement Income Security Act with respect to past services, Rochester may be required to contribute certain monies to its Union pension plan in order to fund past employee services. Additionally, Rochester may be required to contribute certain funds for group insurance if the insurance trustees determine that there is an actuarial necessity for such contribution.

(d) Rochester has agreed, pursuant to the Memorandum, to the inclusion of one additional holiday for Union employees.

(e) Vacation eligibility has been altered, effective July 1, 1977, to provide for four weeks vacation after 17 years of service in lieu of the previous 18 year requirement. Thereafter, on July 1, 1978 and July 1, 1979, employees will

earn four weeks vacation after 16 and 15 years of employment, respectively.

(f) Rochester has agreed to refrain from liquidating its operations in any of the three plants covered under the Agreements, subject to the payment to each employee separated prior to February 1, 1979 as a result of such liquidation, of a sum equal to the amount said employee would have received if such employee had not been separated; said amount would be computed on the basis of a 40-hour average work week for the period ending September 30, 1980. If a plant liquidation occurs subsequent to February 1, 1979, Rochester and the Union shall negotiate the amount of severance pay to be paid to each Union employee. In the event the parties are unable to agree upon the amount of severance pay, a determination shall be made by an arbitrator selected by a panel proposed by the American Arbitration Association; the arbitrator's determination shall be final and binding.

Annexed hereto and made a part hereof and marked Exhibit "E" is a summary of costs which are expected to be incurred as a result of the Memorandum. The summary includes the additional expenses that will arise as a result of the increases referred to in paragraphs 6(a) and 6(c) above.

7. Your applicant believes that the settlement contained in the Memorandum, as outlined in paragraph 6 above, is

fair and reasonable. The settlement was the subject of detailed negotiations amongst the Union, your applicant, his counsel and Rochester's management and of necessity took into consideration the settlements reached by the Union with other employers whose employees are members of the Union.

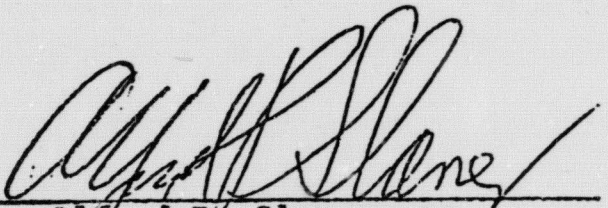
8. Chapter X Rule 10-209(g) provides that "... the court may from time to time enter orders designating the matters in respect to which, the persons to whom and the form and manner in which notices shall be sent." Your applicant submits that five days notice of this application should be given by mailing two copies of this application and the exhibits annexed hereto, by regular mail to the Securities and Exchange Commission and mailing a copy of this application and the exhibits annexed hereto, by regular mail, to all parties who have appeared herein by filing statements pursuant to Chapter X Rules 10-210 and 10-211, counsel for the indenture Trustee and counsel for Chemical Bank, The First National Bank of Chicago, North Carolina National Bank and Security Pacific National Bank, the institutional lenders herein.

9. Transmitting notice to counsel for the institutional lenders, counsel for the indenture Trustee and all parties who have appeared herein by filing statements pursuant to Chapter X Rules 10-210 and 10-211 and the Securities and Exchange Commission, on behalf of the public stockholders, in the manner described in paragraph 8 above, should result in adequate and

reasonable notice without causing any unnecessary and undue expenditures of time and money.

WHEREFORE, your applicant respectfully prays for the annexed order and for such other and further relief as to this Court may seem just and proper, for all of which no previous application has been made.

Dated: New York, New York
June 30, 1977


Alfred P. Slaner, as
reorganization Trustee

SHEA GOULD CLIMENKO & CASEY
Attorneys for the Trustee
330 Madison Avenue
New York, New York 10017

By 
A Member of the Firm

EXHIBIT A---SUMMARY OF ROCHESTER'S OPERATIONS, 1971 TO 1976
ANNEXED TO TRUSTEE'S APPLICATION, JUNE 30, 1977

SUMMARY OF OPERATIONS

Sales and Income

(\$000)

	Fiscal Year					
	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Net Sales	<u>11,247</u>	<u>12,343</u>	<u>14,618</u>	<u>18,985</u>	<u>18,369</u>	<u>23,555</u>
Gross Profit	3,175	3,794	4,729	6,625	5,629	8,339
% of Sales	28.2%	30.7%	32.4%	34.9%	30.6%	35.4%
Selling and Admin.	<u>2,440</u>	<u>2,620</u>	<u>2,861</u>	<u>3,453</u>	<u>3,435</u>	<u>4,406</u>
Operating Income	735	1,174	1,868	3,172	2,194	3,933
Other Income (Expense)	<u>(11)</u>	<u>(60)</u>	<u>(42)</u>	<u>29</u>	<u>15</u>	<u>79</u>
Pretax Income	<u>724</u>	<u>1,114</u>	<u>1,826</u>	<u>3,201</u>	<u>2,209</u>	<u>4,012</u>
% of Sales	6.4%	9.0%	12.5%	16.9%	12.0%	17.03%

A. All employees
1. 1971 with more than
shall be designated as
employees with respon

B. The Employer shall recognize and deal with such representatives of the employees as the Union may elect or appoint and shall permit such representatives, elected or appointed by the Union, to visit its plants at any time during working hours in accordance with existing rules.

C. The Employer agrees to make available to the Union such payroll and production records as the Union may reasonably require as the collective bargaining agent and/or contracting party hereunder.

ARTICLE III TRIAL PERIOD

The trial periods for all new employees, including auxiliary and miscellaneous, office and clerical and maintenance employees shall continue to be such trial periods as heretofore provided except that no trial period shall exceed six (6) weeks.

ARTICLE IV UNION SECURITY

A. In the manner and to the extent permitted by law, membership in the Union on completion of the trial period for each employee or on and after the thirtieth (30) day following the effective date of this Agreement, whichever is later, shall be required as a condition of employment of each employee; in the event that the trial period is less than thirty (30) days, membership of new employees shall not be required until thirty (30) days after the date of hire.

B. All employees who are now members or hereafter become members of the Union shall, as a condition of continued employment, remain members in good standing during the term of this Agreement.

ARTICLE V SENIORITY

A. All employees of the Employer on the active payroll hired prior to January 1, 1971 with more than one and one-half (1 1/2) years of service with the Employer shall be designated as permanent employees, and shall have seniority over all other employees with respect to continuous full time employment on their respective posi-

EXHIBIT B--COLLECTIVE BARGAINING AGREEMENT, AKRON PLANT,
FOR THE PERIOD JUNE 1, 1974 TO JUNE 1, 1977,
ANNEXED TO TRUSTEE'S APPLICATION, JUNE 30, 1977

tions, and the work shall be divided equally among all such permanent employees on their respective positions. In the event the discontinuance of an operation (i.e., job) deprives a permanent employee of continuous full time work, the Employer agrees to transfer such employee to a position held by a temporary employee provided that the permanent employee is eligible and capable of performing the work required on the job to which he is transferred.

All employees of the Employer on the active payroll hired after January 1, 1971 must continue in the service of the Employer for a period of five (5) years before being designated as permanent employees.

B. All employees of the Employer on the active payroll hired after January 1, 1971 with less than five (5) years of service with the Employer shall be considered temporary employees, and shall be laid off and rehired on their respective positions on the basis of their skill, ability and length of service. Where skill and ability are approximately equal, length of service shall apply.

C. Seniority shall be defined as the total time an employee has been continuously employed, uninterrupted by breaks in employment as defined below.

1. The probationary period shall consist of the first 30 calendar days of employment, excluding holiday and vacation periods, from the date of employment, during which time the employee will acquire no seniority right or privileges. After the probation period, seniority will begin retroactive to the initial hiring date.

2. Seniority rights will be forfeited as a result of any one of the following conditions:

- (i) Discharged for just cause.
- (ii) Voluntary resignation.
- (iii) Absent from work in excess of three (3) working days without notification to the Company.
- (iv) If not recalled from lay-off within twelve (12) months.
- (v) Failure to return to work after a lay-off within five (5) days of a positive recall contact.
- (vi) An employee is absent on strike or work stoppage in violation of this Agreement.

3. All job vacancies, or new jobs created, will be filled through a plant wide bidding system, with the exceptions noted below. The eligible bidder with the highest seniority will earn the job and begin the qualification procedure.

(I) All bids will be posted for two (2) full regularly scheduled work days.

(II) By accepting a bid position, an employee agrees to hold the bid position for a period of six (6) months from the first day on the new position. A general exception to this rule pertains to job openings in a higher pay grade. An employee can bid into a higher pay grade at any time. Sideways and downward exceptions during the six months period can be considered for reasons of health and well being as determined by negotiation between the plant Union committee and plant supervision.

(III) The timing of a job change after a bid is accepted will be consistent with filling and training for the jobs related to the bidding round. Production quantity and quality must be maintained. During the interval between bid acceptance and job assignment, the rate of the job actually worked will be paid.

(IV) Job opening or new jobs created in the maintenance department and Chief Operator jobs will be totally excluded from the bidding system.

(V) Jobs left open by an unsigned bid will be filled by assignment from the pool.

4. After a bid is accepted, the bidder must qualify on his new job by demonstrating that he can successfully perform the duties of the job to acceptable standards of quality and quantity, as determined by plant supervision.

The normal qualifying period is up to 30 days and may be extended up to sixty (60) days at supervision's discretion.

(II) If any employee is disqualified, his job is put up for bid and the disqualified employee may bid, according to seniority, into the subsequent openings

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thus created. If a subsequent job opening bid remains unsigned for the two day period, the disqualified employee can be assigned the job and the bidding cycle terminated.

(iii) If an employee is disqualified from a job, a second bid on that job will only be accepted with the approval of supervision.

5. If a job is eliminated, the employee holding the job may exercise plant wide seniority to select the job of his choice.

6. If any employee is promoted out of the bargaining unit to the staff payroll, he will maintain seniority rights for a period of six (6) months.

7. Any employee may be asked to work at temporary assignment for up to a period of six (6) weeks more or less. If the temporary assignment is to last longer than this period, a continuation must be with the approval of the Union Committee and the employee involved.

ARTICLE VI DISCRIMINATION

The Employer and the Union shall not discriminate with regard to hire or firing, promotion, job assignment or other conditions of employment because of race, age, sex, creed, color or national origin.

ARTICLE VII HOURS OF WORK

A. The regular hours of work shall be forty (40) per week, to be worked in not more than five (5) days per week, Monday through Friday, nor more than eight (8) hours per work day.

B. Overtime:

1. Any time worked in excess of the daily established hours shall be paid at the rate of time and one-half and/or piece rate and one-half; any time worked in excess of forty (40) hours per week shall be paid at the rate of time and one-half and/or piece rate and one-half.

2. Any time worked on Saturday shall be paid at the rate of time and one-half (1½) and/or piece rate and one-half provided that the employee working on Saturday has worked at least forty (40) hours during the regular work week or, in the alternative, that the employee has failed to work forty (40) hours during said regular work week due to reasonable excuse.

3. Monday shall be considered as the first day of the work week for computing the pay of employees. Double time shall be paid to employees for time worked on Sunday, except where such Sunday work is considered a part of a Saturday or Monday shift. Time worked is considered as part of Saturday or Monday shift if the majority of the hours scheduled for the shift fall on one of these days. In such case, the present policy on straight time or time and one-half shall apply, except for Watchmen who will be paid as follows: Watchmen will be paid time and one-half only for time worked in excess of forty (40) hours per week. They will be permitted to work twelve (12) hour shifts on a straight time basis, i.e., time and one-half will not be paid for time worked over eight (8) hours in the twelve (12) hour shift.

ARTICLE VIII WAGES

A. Wage Increase:

1. Effective June 3, 1974, all employees of the Employer at its Akron, New York plant shall receive a wage increase of forty cents (40¢) per hour.

2. Effective June 2, 1975 all employees of the Employer at its Akron, New York plant shall receive an additional wage increase of forty cents (40¢) per hour.

3. Effective June 1, 1976, all employees of the Employer at its Akron New York plant shall receive an additional wage increase of forty cents (40¢) per hour.

Exhibit B annexed to Trustee's Application, June 30, 1977

ARTICLE IX
TRANSFERS

A. A temporary transfer shall mean a transfer from one job to another for any period of time (including part of a work day) up to a maximum continuous period of thirty (30) calendar days.

1. The Employer shall have the right to transfer employees from one job to another on a temporary basis.

2. An employee who is temporarily transferred shall be paid the hourly rate of the job from which he was transferred or the hourly rate of the new job, whichever is higher.

B. A permanent transfer shall mean a transfer from one job to another for a continuous period of time exceeding thirty (30) calendar days.

1. An employee may be permanently transferred from one job to another only if mutually agreed upon between the Employer and the Union.

2. In the event an employee is permanently transferred from one job to another he shall be paid at a rate which shall be mutually agreed upon, prior to the transfer, between the Employer and the Union.

ARTICLE X
VACATIONS

A. Vacation Period: It is agreed that there shall be the following vacation period for employees entitled to vacation pay as hereinafter provided.

1. The summer vacation period which shall be the first two (2) consecutive weeks of July, the first to be the week in which July 4th falls each year, unless the Employer and the Union shall mutually agree upon some other two (2) consecutive weeks during the summer months; and

2. A third week vacation period which shall be mutually agreed upon between the Employer and the Union.

3. In the event that a paid holiday falls within the vacation period employees entitled to holiday pay shall be entitled to such holiday pay in addition to

vacation pay hereinafter provided.

B. Eligibility and Pay:

1. All employees of the Employer who have been in its employ in its plant located in Akron, New York six (6) months, computed to June 1st of the vacation year, are eligible for a paid vacation as follows:

- (a) Six (6) months but less than nine (9) months, computed to June 1st of the vacation year, twenty (20) hours vacation with pay.
- (b) Nine (9) months but less than twelve (12) months, computed to June 1st of the vacation year, thirty (30) hours vacation with pay.
- (c) Twelve (12) months but less than two (2) years, computed to June 1st of the vacation year, forty (40) hours vacation with pay.
- (d) Two (2) years but less than five (5) years, computed to June 1st of the vacation year, eighty (80) hours vacation with pay.
- (e) Five (5) years but less than eighteen (18) years, computed to June 1st of the vacation year, one hundred twenty (120) hours vacation with pay.
- (f) Eighteen (18) or more years, computed to June 1st of the vacation year, one hundred sixty (160) hours with pay.

2. All vacation pay shall be computed on three (3) months average earnings per hour, the Union and the Employer to mutually agree on which three (3) month period out of the first six (6) months of the year shall be used.

- (a) No overtime or extra compensation will be estimated in computing the vacation pay. The extra rate of pay on the night shift, however, shall be considered in the computation of the vacation pay for those particular employees who worked nights during the three (3) month period used to compute vacation pay.

3. When the business of the Employer is shut down for the vacation period, the Employer shall have no obligation to provide work for such employees who are not entitled to vacation or who are entitled to a vacation period less than

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the shut down period. Such employees shall be considered on lay-off status during the period involved.

4. General Conditions:

(a) An employee otherwise eligible for a paid vacation shall not be deemed ineligible because of the fact that he is temporarily laid off or ill at the commencement of the vacation period. The arbitrator is expressly empowered to determine in accordance with the arbitration procedure provided in this Agreement whether an employee discharged prior to the commencement of the vacation period but otherwise eligible for a paid vacation shall be entitled to vacation pay.

(b) Employees who have been in the employ of the Employer a sufficient length of time to have earned a paid vacation as herein set forth but whose employment has been terminated because of termination of business or closing of a plant, shall be entitled to vacation pay pro-rated as of the date of termination of employment.

(c) Vacation pay as provided herein shall be paid on the pay day immediately preceding the applicable vacation period.

ARTICLE XI
HOLIDAYS

A. 1. All employees shall be entitled to the following nine (9) holidays with pay:

New Year's Day
Memorial Day
July 4th

Good Friday

Labor Day
Thanksgiving Day
Christmas Day

The eighth and ninth holidays shall be floating holidays to be mutually agreed upon between the Employer and the Union.

2. All such holidays shall be paid for irrespective of the day of the week in which the holiday falls.

Should any of the above holidays fall on Sunday, the day celebrated

such shall be considered the holiday.

B. Pay for each holiday shall consist of eight (8) hours pay at the average straight time hourly earnings of the employee for the week in which the holiday occurs. Work performed on a holiday shall be paid for at the rate of double time or double piece work rate in addition to the holiday pay, except that watchmen shall receive eight (8) hours pay in addition to the holiday pay.

C. To be eligible for holiday pay an employee must have been in the employ of the Employer for not less than thirty (30) calendar days and must have been at work on the work day before and the work day following the holiday unless absent from work for reasonable cause.

D. Holidays that occur during the vacation period shall be paid for in addition to vacation pay (either as eight (8) hours additional vacation pay, or, if the employee is not eligible for vacation pay, as if the holiday occurred during the week preceding the vacation period). Holidays shall be considered as hours worked for the purpose of determining the right of the employee to overtime for the week in which the holiday occurred.

E. In case employees are out due to extended illness, the Employer will pay holiday and vacation benefits for a period of three (3) months. In case employees are absent for extended illness more than three (3) months, the vacation pay should be pro-rated on the basis of accumulative weeks worked throughout the vacation year. This subsection shall not apply to cases of absence from employment except by reason of extended illness.

ARTICLE XII
PAYMENT OF WAGES AND CHECKOFFS

A. The Employer agrees that it shall pay its employees on a prescribed day in each week.

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D. The Employer shall deduct from the wages of its employees, upon written authorization of the employee, union dues, initiation fees and assessments. The amounts deducted pursuant to such authorization shall be promptly transmitted to the properly designated official of the Union, as heretofore, together with a list of names of the employees from whom the deductions were made on forms to be provided by the Union.

ARTICLE XIII MANAGEMENT RIGHTS

The Union acknowledges that the Company is vested with the management of its plants, the right to maintain efficiency, to hire and promote employees, to make changes in shop management, methods of production, the planning and directing of all plant operations and the establishment of work safety rules in order to maintain an orderly, efficient work force, provided, however, that management agrees that nothing contained herein shall be used as a guise to discriminate against any employee or group of employees, that if changes initiated by management involve a reduction in available work, the provisions of Article V of this Agreement shall apply to employees retained and continuing the same character of work as performed before such changes were made, it being understood that employees affected by such changes shall not be subjected to lesser hourly wages on account thereof, and provided further that discipline shall be exercised according to generally accepted practice and disputes concerning the exercise of any management's rights as well as disputes involving discipline shall be subject to the grievance procedure set forth in Article XIX of this Agreement.

ARTICLE XIV PRODUCTION

All of the production of the ordinary products of the Employer or under contract for the Employer, of materials supplied by the Employer, shall be made under the terms of this Agreement, provided, however, that this clause shall not be construed to affect the unrestricted right of the Employer to make purchases of products or raw materials without reference to the terms of this Agreement subject

to the terms of Article XV below.

ARTICLE XV
OTHER FACTORIES AND CONTRACTORS

A. During the term of this Agreement the Employer agrees that it shall not, without the consent of the Union, remove or cause to be removed its present plant or plants from the city or cities in which such plant or plants are located.

B. The Employer may not import buttons, produce buttons, or job buttons from foreign markets unless the Employer has and continues to have full employment of the permanent employees, as defined in Article V (A) of this Agreement. Full employment means that the Employer will provide forty (40) hours of work each week, except for holidays, vacations or causes beyond the Employer's control. This paragraph shall have full force and effect, anything in this Agreement to the contrary notwithstanding.

C. The Employer hereby agrees and warrants that it will not liquidate its operation in its Akron, New York plant during the term of this contract.

D. In the event that operations in the Employer's Akron, New York plant are liquidated during the term of this Agreement for economic reasons resulting from the decline of casing and/or through products, the Employer covenants and agrees to offer all permanent employees of the Employer employed at its Akron plant immediate employment in the Employer's Rochester or Wellsville plants. Should any permanent employee of the Employer employed at Employer's Akron plant elect not to transfer to the Employer's Rochester or Wellsville plants as provided for herein, then and in that event the Employer covenants and agrees to pay severance pay to any such employee, the amount of such severance pay to be negotiated and mutually agreed upon between the Employer and the Union. In the event that the Employer and the Union are unable to mutually agree upon the amount of severance pay to be paid to such employees, then and in that event the amount of severance pay shall be determined by the arbitrator named in Article XIX of this Agreement and the determination of the arbitrator shall be final and binding.

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ARTICLE XVI
INSURANCE

The Employer agrees to contribute sums of money equal to his stated percentage of his payroll to the Amalgamated Insurance Fund (social insurance and retirement), as provided in Exhibit I annexed hereto, the terms and provisions of said Exhibit I being specifically incorporated herein by reference.

ARTICLE XVII
MILITARY SERVICE

In the event that an employee enlists or is conscripted into the Armed Forces of the United States of America or is called into service as a member of the National Guard or Army, Navy or Marine Corps Reserves, he shall, upon his discharge from service, be reinstated with all his rights and privileges enjoyed by him at the time he entered service, provided, that he shall request such reinstatement within the period fixed by law and provided that the Employer shall have the right to discharge any person whom he hired by reason of the entry into military service of the person to be reinstated.

ARTICLE XVIII
STRIKES AND LOCKOUTS

There shall be no strikes or lockouts during the period of this Agreement. Should a stoppage occur, the Union undertakes to order the workers back to work.

ARTICLE XIX
DISPUTES

In case of any disputes hereunder that the floor chairman and the foreman have been unable to settle, the Shop Chairman shall take the matter up with the Employer, and in the event of failure to adjust the matter, the Union officials shall be called in. In the event the Union and the Employer shall fail to agree upon an adjustment of differences, the matter in dispute shall be submitted to the arbitrator whose decision shall be final. The arbitrator shall be mutually selected by and between the parties. The costs of arbitration shall be borne equally between the Employer and the Union.

**ARTICLE XX
EXCEPTIONS**

It is understood and agreed that factory clerical help can join the Union if they so desire, but refusal to join does not in any way jeopardize their positions with the Employer.

**ARTICLE XXI
BEREAVEMENT LEAVE**

A. 1. All employees of the Employer shall be entitled to up to three (3) consecutive days off with pay in the event of the death of their spouse, child, sister, brother, mother, father, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandfather, grandmother or grandchild.

B. Compensation for such bereavement leave shall be computed in the same manner as holiday pay.

**ARTICLE XXII
JURY DUTY**

Employees who are required by law to serve on a jury and who actually serve will be paid the difference between their regular base rate for eight (8) hours and jury pay. Employees shall furnish satisfactory evidence of jury service. Jury pay will not be paid under the following conditions:

1. For Saturdays, Sundays and holidays.
2. During an employee's vacation period.
3. During lay-offs and a full shift or more.
4. When employee is dismissed from jury duty and could report to work the balance of the shift, provided there are four (4) hours or more left of the shift.

**ARTICLE XXIII
REPORTING PAY**

All employees of the Employer who report for work at the regular starting time, or at such other hour designated by the Employer, shall be paid the estab-

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lished time or piece rate earnings for all work performed between the hour that they report for work and the hour that they are dismissed, but in no event shall they be paid less than four (4) hours.

ARTICLE XXIV
DUTIES OF FLOOR CHAIRMEN

Floor Chairmen will remain at all times on their own floor unless their duties require otherwise. They shall properly take care of the work that they are hired to do. They can call the Shop Chairman on the "phone" if he is needed. They are not to argue with the Foremen. Their duty is to get the facts and present them to the Shop Chairman if an immediate agreement is not reached with the Foreman. In the event that the Shop Chairman is not available at the time a dispute or problem arises, the Floor Chairmen may then take the matter up with representatives of the Employer.

ARTICLE XXV
WORKING FOREMEN

It is agreed that Foremen and Assistant Foremen shall not do any of the work regularly performed by a Union worker except work required for purposes of supervision, performing manufacturing experiments, the instruction of employees or making of samples.

It is agreed that the Foreman of the Chemical Dip Department shall be exempt from the provisions of the preceding paragraph.

ARTICLE XXVI
UNIFORMS

The Employer agrees to supply and have laundered, work uniforms for the Pill Room and spray crews.

ARTICLE XXVII
MORE FAVORABLE PRACTICES

Any custom or practice existing in the plant of the Employer at the time of the execution of this Agreement more favorable to the employees than the provisions

...shall be continued as heretofore.

ARTICLE XXVIII
SUCCESSORS

In the event that the Employer merges or consolidates with, or its business is acquired by another person, firm or corporation, the Employer shall remain bound by all the terms and provisions of this Agreement for the full term hereof.

ARTICLE XXIX
MISCELLANEOUS

A. The Union recognizes that the button industry is highly competitive in nature and the Union agrees to cooperate with the Employer to the fullest extent possible to aid the Employer in its endeavor to become more competitive.

ARTICLE XXX
SEPARABILITY

Should any part or provision of this Agreement be rendered or declared illegal by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction or by the decision of any authorized governmental agency, such invalidation of such part or provision shall not invalidate the remainder thereof. In such event the parties hereto agree to negotiate substitute provisions.

ARTICLE XXXI
TERM OF AGREEMENT

This Agreement shall be binding upon the parties hereto and their successors in interest and shall be effective from and after June 1, 1974, regardless of the date upon which this Agreement is executed and shall remain in full force and effect until June 1, 1977. It shall be automatically renewed from year to year thereafter unless on or before February 1, 1977 or February 1st of any year thereafter notice in writing is given by either the Employer or the Union to the other of its desire to propose changes in this Agreement or of intention to terminate the same upon

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the ensuing June 1st. If no agreement is reached with reference to such requested modification prior to the ensuing June 1st, this Agreement shall terminate.

IN WITNESS WHEREOF, the parties hereto have caused their signatures to be hereunto affixed.

ROCHESTER BUTTON COMPANY

By: [Signature] V. Pres.

ROCHESTER JOINT BOARD AMALGAMATED CLOTHING
WORKERS OF AMERICA, AFL-CIO

By: *[Signature]*

6/74-B

AMALGAMATED INSURANCE FUND
INSURANCE & RETIREMENT

SUPPLEMENTAL AGREEMENT dated as of June 1, 1974
between ROCHESTER BUTTON COMPANY
(herein called the "Employer") and
of the AMALGAMATED CLOTHING WORKERS OF
AMERICA (herein called the "Union").

WITNESSETH:

WHEREAS, the Employer and the Union have executed a Collective Bargaining Agreement (herein called the "Collective Bargaining Agreement") which is now in full force and effect, and

WHEREAS, the Employer has agreed to contribute sums of money equal to a stated percentage of its payroll to a fund or funds to be used to provide pensions or other retirement benefits, life, medical care, hospitalization, accident and health insurance, and other insurance benefits and health care services to employees employed in the men's and boys' clothing industry, including medical care and hospitalization for the families of such employees and an educational assistance program for eligible children of such employees, and to execute a supplemental agreement in the form of this Supplemental Agreement providing for such contributions, and the application thereof, and

WHEREAS, the Employer has heretofore entered into one or more prior supplemental agreements with the Union for the purpose of providing funds for certain of the above described benefits, and

WHEREAS, it is the intention that this Supplemental Agreement shall supersede all prior supplemental agreements from and after June 1, 1974;

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Now, THEREFORE, in consideration of the premises the Union and the Employer agree that the Collective Bargaining Agreement shall be supplemented as follows:

1. Definitions:

(a) The term "employees of the Employer" as used in this Supplemental Agreement means all of the employees of the Employer within the collective bargaining unit fixed by the Collective Bargaining Agreement, including employees during their trial period.

(b) The term "gross wages" as used in this Supplemental Agreement means all of the wages of the employees (as defined in subparagraph (a) hereof) including cost of living bonuses, and vacation and holiday pay.

2. This Supplemental Agreement shall supersede all prior supplemental agreements from and after June 1, 1974; provided, however, that all sums of money paid or payable by the Employer under any prior supplemental agreement to the Trustees designated in one or more Agreements and Declarations of Trust which accompanied, and were made part of, said prior supplemental agreements (insofar as any part of such sums of money so paid to said Trustees have not been expended or applied by said Trustees in accordance with the provisions of said prior supplemental agreements and prior agreements and declarations of trust) shall be applied by the said Trustees to the purposes set forth and provided for in said prior supplemental agreements and agreements and declarations of trust, and subject to the provisions therein contained.

3. A. Commencing on the pay day for the week of June 10, 1974, and weekly thereafter, the Employer shall pay to the Trustees (hereinafter called "Trustees") designated under an Agreement and Declaration of Trust, as most recently amended as of June 1, 1974, the terms and provisions of which Agreement and Declaration of Trust are herein specifically incorporated by reference, seven and eighty six one hundredths per cent (7.86%) of the gross wages payable for

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each pay period to all the employees of the Employer. Except as provided in, and subject to, the provisions of Paragraphs 1C, 1D and 1F of the said Agreement and Declaration of Trust, the said 7.86% of gross wages shall be credited to the Retirement Fund and to the Social Insurance Fund as follows:

(a) 2.8% of gross wages shall be credited to the Retirement Fund,

(b) 5.06% of gross wages shall be credited to the Social Insurance Fund.

B. Commencing on the pay day for the week of September 30, 1974, and weekly thereafter, the Employer shall pay to the Trustees (hereinafter called "Trustees"), designated under an Agreement and Declaration of Trust as most recently amended as of June 1, 1974, the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, nine and seven tenths per cent (9.7%) of the gross wages payable for each pay period to all of the employees of the Employer. Except as provided in and subject to the provisions of paragraphs 1C, 1D and 1F of the said Agreement and Declaration of Trust, the said 9.7% of gross wages shall be credited to the Retirement Fund and to the Social Insurance Fund as follows:

(a) 4.64% of gross wages shall be credited to the Retirement Fund,

(b) 5.06% of gross wages shall be credited to the Social Insurance Fund.

C. Commencing on the pay day for the week of June 2, 1975, and weekly thereafter, the Employer shall pay to the Trustees (hereinafter called "Trustees"), designated under an Agreement and Declaration of Trust as most recently amended as of June 1, 1974, the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, ten and two

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Plan and Social Insurance Plan, and shall determine whether an increase in the payments provided in subparagraphs A, B, C and/or D herein is required. If the Trustees, acting with the prior consent of the Advisory Committee, so determine that an increase is required in Employer payments they shall fix and determine the amount of such increase. Such increase in the percent of gross wages, if any, shall be paid by the Employer together with the contribution required by subparagraphs A, B, C and/or D above.

F. All of the foregoing sums shall be administered and expended by the Trustees pursuant to the provisions of the said Agreement and Declaration of Trust, as amended as of June 1, 1974, for the purpose of providing benefits upon their retirement, and life, accident and health insurance, and such other forms of group insurance for medical care and hospitalization, and to provide health care services, or to provide for the reimbursement of the costs thereof, as the Trustees may reasonably determine, to employees employed by the Employer, and employees employed by other employers, including affiliates of the Amalgamated Clothing Workers of America (herein called the "Amalgamated"), for whom contributions are made to the Amalgamated Insurance Fund in the amounts set forth in this Paragraph, all of whom are members of the group embrace within the general plan in the men's and boys' clothing industry, and also to provide medical care, health care services, or to provide for reimbursement of the costs thereof and hospitalization for the families of such employees, and educational assistance for the eligible children of such employees.

4. The Employer shall furnish to the Trustees, upon request, such information and reports as they may require in the performance of their duties under any of the agreements and declarations of trust. The Trustees, or any authorized agent or representative of the Trustees, shall have the right at all reasonable times during business hours to enter upon the premises of the Employer and to examine and copy such of the books, records, papers and reports of the Employer as may be necessary to permit the Trustees to determine whether the Employer is fully complying with the provisions of Paragraph 3 hereof.

5. No employee or member of his family shall have the option to receive instead of the benefits provided for by any of the agreements

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tenths per cent (10.2%) of the gross wages payable for each pay period to all of the employees of the Employer. Except as provided in and subject to the provisions of paragraphs 1C, 1D and 1F, of the said Agreement and Declaration of Trust, the said 10.2% of gross wages shall be credited to the Retirement Fund and to the Social Insurance Fund as follows:

(a) 4.64% of gross wages shall be credited to the Retirement Fund.

(b) 5.56% of gross wages shall be credited to the Social Insurance Fund.

D. Commencing on the pay day for the week of May 31, 1976, and weekly thereafter, the Employer shall pay to the Trustees (hereinafter called "Trustees"), designated under an Agreement and Declaration of Trust as most recently amended as of June 1, 1974, the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, eleven and six tenths per cent (11.6%) of the gross wages payable for each pay period to all of the employees of the Employer for the preceding pay period. Except as provided in and subject to the provisions of paragraphs 1C, 1D and 1F of the said Agreement and Declaration of Trust, the said 11.6 % of gross wages shall be credited to the Retirement Fund and to the Social Insurance Fund as follows:

(a) 4.9% of gross wages shall be credited to the Retirement Fund.

(b) 6.7% of gross wages shall be credited to the Social Insurance Fund.

E. The Trustees and the Advisory Committee, pursuant to the authority vested in them by the said Agreement and Declaration of Trust, as amended June 1, 1974, shall study and review the Retirement

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and declarations of trust. Any part of the contributions of the Employer. No employee or member of his family shall have the right to assign any benefits to which he may be or become entitled under any of the agreements and declarations of trust or to receive a cash consideration in lieu of such benefits either upon termination of the trust therein created, or through severance of employment or otherwise.

6. (A) This Supplemental Agreement and the Collective Bargaining Agreement and the Agreement and Declaration of Trust shall be construed as a single document, and all of the provisions of the Collective Bargaining Agreement relating to the administration and enforcement thereof shall apply to the administration and enforcement of this Supplemental Agreement, provided, however, that any controversy, claim, complaint, grievance or dispute between the parties hereto arising out of or relating to the provisions of this Supplemental Agreement or the interpretation, breach, application or performance thereof, shall be referred by the Union, the Trustees or the Employer for arbitration and determination as hereinafter provided:

(1) Millard Cass, Esq., or his designee, is designated as the Arbitrator under this Supplemental Agreement. In the event of the unavailability of the said Millard Cass, Esq., or his designee, a successor Arbitrator shall be appointed in writing by the Clothing Manufacturers Association of the United States of America and the Amalgamated. In the event they cannot agree on a successor, he shall be appointed forthwith by the American Arbitration Association upon application of the Trustees, the Amalgamated or the Clothing Manufacturers Association of the United States of America.

(2) The powers of the Arbitrator and the procedures for Arbitration hereunder shall be as hereinafter provided. The decision, order, direction, award or action of the Arbitrator shall be final, conclusive, binding and enforceable in a court of competent jurisdiction.

In addition to the power which the Arbitrator may possess pursuant to the within Supplemental Agreement or by operation

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of law, in the event of any breach or threatened breach of this Supplemental Agreement, the Arbitrator, after a hearing, may issue an award providing for a mandatory direction or prohibition.

The Arbitrator shall also have the authority in such case as he shall deem proper to include in his award against the Employer the reasonable costs of collection, including, but not limited to the Arbitrator's fees, legal fees, auditing and accounting costs; providing, however, that no costs of collection shall be awarded against the Employer unless the said award shall also find that the Employer has failed to perform and comply with the terms and provisions of this Supplemental Agreement.

The parties consent that any papers, notices or processes, including subpoenas, necessary or appropriate to initiate or continue an arbitration hereunder to enforce, confirm, vacate or modify an award, may be served by certified mail directed to the last known address of the Employer, the Union and the Trustees.

The Union or the Employer or the Trustees may call such arbitration hearing by giving five (5) days notice by certified mail or two (2) days notice by telegram to the other parties. The Arbitrator, however, if he deems it appropriate, may call a hearing on shorter notice. The parties consent that arbitration hearings shall be heard at such place as the Arbitrator may designate.

The parties agree that the oath of the Arbitrator is waived and consent that he may proceed with the hearing on this submission. In the event a party to arbitration should default in appearing before the Arbitrator, the Arbitrator is hereby empowered to take the proof of the party or parties appearing and render an award thereon.

The Employer's pertinent books, vouchers, papers and records shall be available for examination by duly authorized representatives of the Arbitrator to determine whether there is full compliance with the terms of this Supplemental Agreement.

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(B) In the event that the Union receives written notice from one or more of the Trustees designated by the Trustees for that purpose, that the Employer has failed to pay in full any sum due the Trustees under Paragraph 3 hereof and that such failure has continued for five (5) days, the Union may direct its members to discontinue work in the plant of the Employer and to discontinue work upon clothing being manufactured for the Employer by contractors until all sums due from the Employer under Paragraph 3 hereof have been paid in full. The remedy provided for in this subparagraph shall be in addition to all other remedies available to the Union and to the Trustees and may be exercised by the Union, anything in the Collective Bargaining Agreement to the contrary notwithstanding. Payment by the Employer under protest shall be without prejudice to his right to contest the correctness of the Trustees' demand.

(C) The Trustees, in their own names as Trustees, may also institute or intervene in any proceeding at law, in equity or in bankruptcy for the purpose of effectuating the collection of any sums due to them from the Employer under the provisions of Paragraph 3 hereof.

7. In the event that legislation is enacted by the Federal Government levying a tax or other exaction upon the Employer for the purpose of establishing a Federally administered system of life, health, accident, medical care or hospitalization insurance under which the employees of the Employer are insured, the Employer shall be credited against the sums payable under Paragraph 3 hereof for each pay period, with the amount of such tax or exaction, payable by him for such pay period, provided that the amount of such credit shall in no event exceed the amount required to be paid at that time to provide the benefits other than retirement.

The Health Insurance for the Aged Act (known as Medicare) as enacted on July 30, 1965, is not legislation within the scope of this Paragraph, and the Employer is not entitled to any credit against the sums payable under Paragraph 3 hereof for any payments made to support the programs and/or benefits provided for in the said Act.

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8. The provisions of this Supplemental Agreement shall remain in full force and effect for the full term of the Collective Bargaining Agreement and of any extensions or renewals thereof, but shall terminate and come to an end with the Collective Bargaining Agreement or any extension or renewal thereof, or prior thereto by an instrument in writing executed by the Clothing Manufacturers Association of the United States of America and the Amalgamated and approved by the Board of Directors of the Clothing Manufacturers Association of the United States of America and the General Executive Board of the Amalgamated.

9. The primary purpose of this Supplemental Agreement and the said Agreement and Declaration of Trust being to provide a practical plan for retirement benefits for employees, and life, accident and health insurance and health care services, and other insurance benefits for employees and their families, it is understood that the form of the plan, and of this Supplemental Agreement and of the Agreement and Declaration of Trust, shall not give rise to a literal or formal interpretation or construction. Such interpretation or construction shall be placed on this Supplemental Agreement, and the Agreement and Declaration of Trust as will assist in the functioning of the plan, for the benefit of employees, and their families, regardless of form.

10. In no event will the Employer be entitled to the return of any part of any contribution made hereunder.

11. Regardless of the date on which the within Supplemental Agreement shall be executed, the within Supplemental Agreement shall be effective as of June 1, 1974, with the same force and effect as if it had been actually executed on that date.

12. Neither the execution of this Supplemental Agreement nor any provision herein contained, or contained in any other agreement affecting the same, shall be deemed to release the Employer from any contribution or contributions provided for in any prior supplemental agreement or agreements, and which have become due and payable to the Trustees referred to in any such supplemental agreement or agreements, and not yet paid to such Trustees.

Exhibit B annexed to Trustee's Application, June 30, 1977

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be executed by their duly authorized representatives as of the day and year first above written.

..... ROCHESTER DUTTON COMPANY
Employer

By *[Signature]*
Title

..... ROCHESTER JOINT BOARD of the
AMALGAMATED CLOTHING WORKERS OF AMERICA

By *Abraham Chetina*
Title

Address of Employer:

.....
Street

.....
City and State

AGREEMENT made between ROCHESTER BUTTON COMPANY with offices at 300 State Street, Rochester, New York (hereinafter referred to as the "Employer") and THE ROCHESTER JOINT BOARD AMALGAMATED CLOTHING WORKERS OF AMERICA, AFL-CIO located at 750 East Avenue, Rochester, New York (hereinafter referred to as the "Union").

WITNESSETH:

WHEREAS, the Employer and the Union are parties to a collective bargaining agreement which, as supplemented, amended and extended, expires on or about June 1, 1974; and

WHEREAS, the parties hereto desire to enter into a new collective bargaining agreement, the terms and conditions of which are hereinafter set forth; and

WHEREAS, the respective representatives of the Employer and the Union shall be leaders in the plant and in their dealings with each other in promoting that cooperative spirit and good will which underlies this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the parties herewith agree as follows:

ARTICLE I
COVERAGE

The term "employee" as used in this Agreement shall continue to be defined as heretofore.

ARTICLE II
UNION RECOGNITION

A. The Employer recognizes the Union as the exclusive bargaining agent for its employees in its Rochester and Wellsville, New York plants with reference to wages, hours and working conditions.

B. The Employer shall recognize and deal with such representatives of the employees as the Union may elect or appoint and shall permit such representatives, elected or appointed by the Union, to visit its plants at any time during working hours in accordance with existing rules.

C. The Employer agrees to make available to the Union such payroll and production records as the Union may reasonably require as the collective bargaining agent and/or contracting party hereunder.

ARTICLE III TRIAL PERIOD

The trial periods for all new employees, including auxiliary and miscellaneous, office and clerical and maintenance employees shall continue to be such trial periods as heretofore provided except that no trial period shall exceed six weeks.

ARTICLE IV UNION SECURITY

A. In the manner and to the extent permitted by law, membership in the Union on completion of the trial period for each employee or on and after the thirtieth (30th) day following the effective date of this Agreement, whichever is later, shall be required as a condition of employment of each employee; in the event that the trial period is less than thirty (30) days, membership of new employees shall not be required until thirty (30) days after the date of hire.

B. All employees who are now members or hereafter become members of the Union shall, as a condition of continued employment, remain members in good standing during the term of this Agreement.

ARTICLE V SENIORITY

A. All employees on the active payroll with more than one and one-half (1 1/2) years of service with the Employer shall be designated as permanent employees and shall have seniority over all other employees with respect to continuous full

EXHIBIT C--COLLECTIVE BARGAINING AGREEMENT, ROCHESTER AND WELLS-VILLE PLANTS, FOR THE PERIOD JUNE 1, 1974 TO JUNE 1, 1977, ANNEXED TO TRUSTEE'S APPLICATION, JUNE 30, 1977

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time employment on their respective positions, and the work shall be divided equally among all such permanent employees on their respective positions. In the event the discontinuance of an operation (i.e. job) deprives a permanent employee of continuous full time work, the Employer agrees to transfer such employee to a position held by a temporary employee provided that the permanent employee is eligible and capable of performing the work required on the job to which he is transferred.

B. All employees with less than one and one-half (1½) years of service with the Employer shall be considered temporary employees, and shall be laid off and rehired on their respective positions on the basis of their skill, ability and length of service. Where skill and ability are approximately equal, length of service shall apply.

C. The following provisions shall apply to all employees of the Employer at its Wellsville Plant:

1. Seniority shall be defined as the total time an employee has been continuously employed, uninterrupted by breaks in employment as defined below.

(a) The probationary period shall consist of the first 30 calendar days of employment, excluding holiday and vacation periods, from the date of employment, during which time the employee will acquire no seniority right or privileges. After the probation period, seniority will begin retroactive to the initial hiring date.

(b) Seniority rights will be forfeited as a result of any one of the following conditions:

(i) Discharged for just cause.

(ii) Voluntary resignation.

(iii) Absent from work in excess of three (3) working days without notification to the Company.

(iv) If not recalled from lay-off within twelve (12) months.

(v) Failure to return to work after a lay-off within five (5) days of a positive recall contact.

(vi) An employee is absent on strike or work stoppage in violation of this Agreement.

2. All job vacancies, or new jobs created, will be filled through a plant wide bidding system, with the exceptions noted below. The eligible bidder with the highest seniority will earn the job and begin the qualification procedure.

(a) All bids will be posted for two (2) full regularly scheduled work days.

(b) By accepting a bid position, an employee agrees to hold the bid position for a period of six (6) months from the first day on the new position. A general exception to this rule pertains to job openings in a higher pay grade. An employee can bid into a higher pay grade at any time. Sideways and downward exceptions during the six months period can be considered for reasons of health and well being as determined by negotiation between the plant Union committee and plant supervision.

(c) The timing of a job change after a bid is accepted will be consistent with filling and training for the jobs related to the bidding round. Production quantity and quality must be maintained. During the interval between bid acceptance and job assignment, the rate of the job actually worked will be paid.

(d) Job opening or new jobs created in the maintenance department and Chief Operator jobs will be totally excluded from the bidding system.

(e) Jobs left open by an unsigned bid will be filled by assignment from the pool.

3. After a bid is accepted, the bidder must qualify on his new job by demonstrating that he can successfully perform the duties of the job to acceptable standards of quality and quantity, as determined by plant supervision.

Exhibit C annexed to Trustee's Application, June 30, 1977
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(a) The normal qualifying period is up to 30 days and may be extended up to sixty (60) days at supervisions discretion.

(b) If any employee is disqualified, his job is put up for bid and the disqualified employee may bid, according to seniority, into the subsequent openings thus created. If a subsequent job opening bid remains unsigned for the two day period, the disqualified employee can be assigned the job and the bidding cycle terminated.

(c) If an employee is disqualified from a job, a second bid on that job will only be accepted with the approval of supervision.

4. If a job is eliminated, the employee holding the job may exercise plant wide seniority to select the job of his choice.

5. If any employee is promoted out of the bargaining unit to the staff payroll, he will maintain seniority rights for a period of six (6) months.

6. Any employee may be asked to work at temporary assignment for up to a period of six (6) weeks more or less. If the temporary assignment is to last longer than this period, a continuation must be with the approval of the Union Committee and the employee involved.

ARTICLE VI DISCRIMINATION

The Employer and the Union shall not discriminate with regard to hire or firing, promotion, job assignment or other conditions of employment because of race, age, sex, creed, color or national origin.

ARTICLE VII HOURS OF WORK

A. The regular hours of work shall be forty (40) per week, to be worked in not more than five (5) days per week, Monday through Friday, nor more than eight (8) hours per work day.

B. Overtime:

1. Any time worked in excess of the daily established hours shall be

paid at the rate of time and one-half and/or piece rate and one-half; any time worked in excess of forty (40) hours per week shall be paid at the rate of time and one-half and/or piece rate and one-half.

2. Any time worked on Saturday shall be paid at the rate of time and one-half (1½) and/or piece rate and one-half provided that the employee working on Saturday has worked at least forty (40) hours during the regular work week or, in the alternative, that the employee has failed to work forty (40) hours during said regular work week due to reasonable excuse.

3. Monday shall be considered as the first day of the work week for computing the pay of employees. Double time shall be paid to employees for time worked on Sunday, except where such Sunday work is considered a part of a Saturday or Monday shift. Time worked is considered as part of Saturday or Monday shift if the majority of the hours scheduled for the shift fall on one of these days. In such case, the present policy on straight time or time and one-half shall apply, except for Watchmen who will be paid as follows: Watchmen will be paid time and one-half only for time worked in excess of forty (40) hours per week. They will be permitted to work twelve (12) hour shifts on a straight time basis, i.e. time and one-half will not be paid for time worked over eight (8) hours in the twelve (12) hour shift.

ARTICLE VII WAGES

A. Wage Increases:

1. Effective June 3, 1974, all employees of the Employer at its Rochester, New York plant shall receive a wage increase of forty cents (40¢) per hour.

2. Effective June 2, 1975 all employees of the Employer at its Rochester New York plant shall receive an additional wage increase of forty cents (40¢) per hour.

3. Effective June 1, 1976, all employees of the Employer at its Rochester, New York plant shall receive an additional wage increase of forty cents (40¢) per hour.

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4. All employees of the Employer at its Wollsville, New York plant shall receive an average wage increase of forty cents (40¢) per hour effective June 3, 1974; an additional average wage increase of forty cents (40¢) per hour effective June 2, 1975 and a third average wage increase of forty cents (40¢) per hour effective June 1, 1976, said increases to be applied as shown on Schedule A appended hereto and made a part hereof.

ARTICLE IX TRANSFERS

A. A temporary transfer shall mean a transfer from one job or another for any period of time (including part of a work day) up to a maximum continuous period of thirty (30) calendar days.

1. The Employer shall have the right to transfer employees from one job to another on a temporary basis.

2. An employee who is temporarily transferred shall be paid the hourly rate of the job from which he was transferred or the hourly rate of the new job, whichever is higher.

B. A permanent transfer shall mean a transfer from one job to another for a continuous period of time exceeding thirty (30) calendar days.

1. An employee may be permanently transferred from one job to another only if mutually agreed upon between the Employer and the Union.

2. In the event an employee is permanently transferred from one job to another he shall be paid at a rate which shall be mutually agreed upon, prior to the transfer, between the Employer and the Union.

ARTICLE X VACATIONS

A. Vacation Period. It is agreed that there shall be the following vacation period for employees entitled to vacation pay as hereinafter provided:

1. The summer vacation period which shall be the first two (2) consecutive weeks of July, the first to be the week in which July 4th falls each year, unless the Employer and the Union shall mutually agree upon some other two (2) consecutive weeks during the summer months; and

2. A third week vacation period which shall be mutually agreed upon between the Employer and the Union.

3. In the event that a paid holiday falls within the vacation period employees entitled to holiday pay shall be entitled to such holiday pay in addition to vacation pay hereinafter provided.

B. Eligibility and Pay:

1. All employees of the Employer who have been in its employ in its plants located at Rochester and Wellsville, New York six (6) months, computed to June 1st of the vacation year, are eligible for a paid vacation as follows:

(a) Six (6) months but less than nine (9) months, computed to June 1st of the vacation year, twenty (20) hours vacation with pay.

(b) Nine (9) months but less than twelve (12) months, computed to June 1st of the vacation year, thirty (30) hours vacation with pay.

(c) Twelve (12) months but less than two (2) years, computed to June 1st of the vacation year, forty (40) hours vacation with pay.

(d) Two (2) years but less than five (5) years, computed to June 1st of the vacation year, eighty (80) hours vacation with pay.

(e) Five (5) years but less than eighteen (18) years, computed to June 1st of the vacation year, one hundred twenty (120) hours vacation with pay.

(f) Eighteen (18) or more years, computed to June 1st of the vacation year, one hundred sixty (160) hours vacation with pay.

2. All vacation pay shall be computed on three (3) months average earnings per hour, the Union and the Employer to mutually agree on which three (3) month period out of the first six (6) months of the year shall be used.

(a) No overtime or extra compensation will be estimated in computing the vacation pay. The extra rate of pay on the night shift, however, shall be considered in the computation of the vacation pay for those particular employees

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who worked nights during the three (3) month period used to compute vacation pay.

3. When the business of the Employer is shut down for the vacation period, the Employer shall have no obligation to provide work for such employees who are not entitled to vacation or who are entitled to a vacation period less than the shut down period. Such employees shall be considered on lay-off status during the period involved.

4. General Conditions:

(a) An employee otherwise eligible for a paid vacation shall not be deemed ineligible because of the fact that he is temporarily laid off or ill at the commencement of the vacation period. The arbitrator is expressly empowered to determine in accordance with the arbitration procedure provided in this Agreement whether an employee discharged prior to the commencement of the vacation period but otherwise eligible for a paid vacation shall be entitled to vacation pay.

(b) Employees who have been in the employ of the Employer a sufficient length of time to have earned a paid vacation as herein set forth but whose employment has been terminated because of termination of business or closing of a plant, shall be entitled to vacation pay pro-rated as of the date of termination of employment.

(c) Vacation pay as provided herein shall be paid on the pay day immediately preceding the applicable vacation period.

ARTICLE XI
HOLIDAYS

A. 1. All employees shall be entitled to the following nine (9) holidays with pay:

New Year's Day
Memorial Day
July 4th

Labor Day
Thanksgiving Day
Christmas Day

Good Friday

The eighth and ninth holidays shall be floating holidays to be mutually agreed upon between the Employer and the Union.

2. All such holidays shall be paid for irrespective of the day of the week on which the holiday falls.

Should any of the above holidays fall on Sunday, the day celebrated as such shall be considered the holiday.

B. Pay for each holiday shall consist of eight (8) hours pay at the average straight time hourly earnings of the employee for the week in which the holiday occurs. Work performed on a holiday shall be paid for at the rate of double time or double piece work rate in addition to the holiday pay, except that watchmen shall receive eight (8) hours pay in addition to the holiday pay.

C. To be eligible for holiday pay an employee must have been in the employ of the Employer for not less than thirty (30) calendar days and must have been at work on the work day before and the work day following the holiday unless absent from work for reasonable cause.

D. Holidays that occur during the vacation period shall be paid for in addition to vacation pay (either as eight (8) hours additional vacation pay, or, if the employee is not eligible for vacation pay, as if the holiday occurred during the week preceding the vacation period). Holidays shall be considered as hours worked for the purpose of determining the right of the employee to overtime pay for the week in which the holiday occurred.

E. In case employees are out due to extended illness, the Employer will pay holiday and vacation benefits for a period of three (3) months. In case employees are absent for extended illness more than three (3) months, the vacation pay should be pro-rated on the basis of accumulative weeks worked throughout the vacation year. This subsection shall not apply to cases of absence from employment except by reason of extended illness.

ARTICLE XII
PAYMENT OF WAGES AND CHECKOFF

A. The Employer agrees that it shall pay its employees on a prescribed day in each week.

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B. The Employer shall deduct from the wages of its employees, upon written authorization of the employee, union dues, initiation fees and assessments. The amounts deducted pursuant to such authorization shall be promptly transmitted to the properly designated official of the Union, as heretofore, together with a list of names of the employees from whom the deductions were made on forms to be provided by the Union.

ARTICLE XIII
MANAGEMENT RIGHTS

The Union acknowledges that the Company is vested with the management of its plants, the right to maintain efficiency, to hire and promote employees, to make changes in shop management, methods of production, the planning and directing of all plant operations and the establishment of work safety rules in order to maintain an orderly, efficient work force, provided, however, that management agrees that nothing contained herein shall be used as a guise to discriminate against any employee or group of employees, that if changes initiated by management involve a reduction in available work, the provisions of Article V of this Agreement shall apply to employees retained and continuing the same character of work as performed before such changes were made, it being understood that employees affected by such changes shall not be subjected to lesser hourly wages on account thereof, and provided further that discipline shall be exercised according to generally accepted practice and disputes concerning the exercise of any management rights as well as disputes involving discipline shall be subject to the grievance procedure set forth in Article XX of this Agreement.

ARTICLE XIV
PRODUCTION

All of the production of the ordinary products of the Employer or under contract for the Employer, of materials supplied by the Employer, shall be made under the terms of this Agreement, provided, however, that this clause shall not be construed to affect the unrestricted right of the Employer to make purchases of products or raw materials without reference to the terms of this Agreement subject to the terms of Article XV below.

ARTICLE XV
OTHER FACTORIES AND CONTRACTORS

A. During the term of this Agreement the Employer agrees that it shall not, without the consent of the Union, remove or cause to be removed its present plant or plants from the city or cities in which such plant or plants are located.

B. The Employer may not import buttons, produce buttons, or job buttons from foreign markets unless the Employer has and continues to have full employment of the permanent employees, as defined in Article V (A) of this Agreement. Full employment means that the Employer will provide forty (40) hours of work each week, except for holidays, vacations or causes beyond the Employer's control. This paragraph shall have full force and effect, anything in this Agreement to the contrary notwithstanding.

C. The Employer hereby agrees and warrants that it will not liquidate its operation in its Rochester or Wellsville, New York plants during the term of this contract.

D. In the event that operations of the Employer are liquidated at the Rochester or Wellsville, New York plants during the term of this Agreement, then and in that event the Employer agrees to pay each employee separated as a result of such liquidation, a sum equal to the amount he would have been paid had he not been so separated, said sum to be computed on the basis of an average work week of forty (40) hours for the remainder of the contract period.

ARTICLE XVII
INSURANCE

The Employer agrees to contribute sums of money equal to his stated percentage of his payroll to the Amalgamated Insurance Fund (social insurance and retirement), as provided in Exhibit I annexed hereto, the terms and provisions of said Exhibit II being specifically incorporated herein by reference.

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ARTICLE XVII
THE SIDNEY HILLMAN HEALTH CENTER OF ROCHESTER, N.Y.

Revised 10-1-58
The Employer agrees to contribute sums of money equal to a stated percentage of its payroll to The Sidney Hillman Health Center of Rochester, New York, all as provided in Exhibit II annexed hereto, the terms and provisions of said Exhibit II being specifically incorporated herein by reference.

ARTICLE XVIII
MILITARY SERVICE

In the event that an employee enlists or is conscripted into the Armed Forces of the United States of America or is called into service as a member of the National Guard or Army, Navy or Marine Corps Reserves, he shall, upon his discharge from service, be reinstated with all his rights and privileges enjoyed by him at the time he entered service, provided, that he shall request such reinstatement within the period fixed by law and provided that the Employer shall have the right to discharge any person whom he hired by reason of the entry into military service of the person to be reinstated.

ARTICLE XIX
STRIKES AND LOCKOUTS

There shall be no strikes or lockouts during the period of this Agreement. Should a stoppage occur, the Union undertakes to order the workers back to work.

ARTICLE XX
DISPUTES

In case of any disputes hereunder that the floor chairman and the foreman have been unable to settle, the Shop Chairman shall take the matter up with the Employer, and in the event of failure to adjust the matter, the Union officials shall be called in. In the event the Union and the Employer shall fail to agree upon an adjustment of differences, the matter in dispute shall be submitted to the arbitrator whose decision shall be final. The arbitrator shall be mutually selected by and between the parties. The costs of arbitration shall be borne equally between the Employer and the Union.

ARTICLE XXI
EXCEPTIONS

It is understood and agreed that factory clerical help can join the Union if they so desire, but refusal to join does not in any way jeopardize their positions with the Employer.

ARTICLE XXII
BEREAVEMENT LEAVE

A. 1. All employees of the Employer shall be entitled to up to three (3) consecutive days off with pay in the event of the death of their spouse, child, sister, brother, mother, father, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandfather, grandmother or grandchild.

B. Compensation for such bereavement leave shall be computed in the same manner as holiday pay.

ARTICLE XXIII
JURY DUTY

Employees who are required by law to serve on a jury and who actually serve will be paid the difference between their regular base rate for eight (8) hours and jury pay. Employees shall furnish satisfactory evidence of jury service. Jury pay will not be paid under the following conditions:

1. For Saturdays, Sundays and holidays.
2. During an employee's vacation period.
3. During lay-offs ^{of} and a full shift or more.
4. When employee is dismissed from jury duty and could report to work the balance of the shift, provided there are four (4) hours or more left of the shift.

ARTICLE XXIV
REPORTING PAY

All employees of the Employer who report for work at the regular starting time, or at such other hour designated by the Employer, shall be paid the established time or piece rate earnings for all work performed between the hour that they report for work and the hour that they are dismissed, but in no event shall they be paid less than four (4) hours.

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ARTICLE XXV
DUTIES OF FLOOR CHAIRMEN

Floor Chairmen will remain at all times on their own floor unless their duties require otherwise. They shall properly take care of the work that they are hired to do. They can call the Shop Chairman on the "phone" if he is needed. They are not to argue with the Foremen. Their duty is to get the facts and present them to the Shop Chairman if an immediate agreement is not reached with the Foreman. In the event that the Shop Chairman is not available at the time a dispute or problem arises, the Floor Chairmen may then take the matter up with representatives of the Employer.

ARTICLE XXVI
WORKING FOREMEN

It is agreed that Foremen and Assistant Foremen shall not do any of the work regularly performed by a Union worker except work required for purposes of supervision, performing manufacturing experiments, the instruction of employees or making of samples.

It is agreed that the Foreman of the Chemical Dip Department shall be exempt from the provisions of the preceding paragraph.

ARTICLE XXVII
UNIFORMS

The Employer agrees to supply and have laundered, work uniforms for the Mill room and Spray crews.

ARTICLE XXVIII
MORE FAVORABLE PRACTICES

Any custom or practice existing in the plant of the Employer at the time of the execution of this Agreement more favorable to the employees than the provisions hereof shall be continued as heretofore.

ARTICLE XXIX
SUCCESSORS

In the event that the Employer merges or consolidates with, or its business is acquired by another person, firm or corporation, the Employer shall remain

bound by all the terms and provisions of this Agreement for the full term hereof.

ARTICLE XXX
MISCELLANEOUS

A. The Union recognizes that the button industry is highly competitive in nature and the Union agrees to cooperate with the Employer to the fullest extent possible to aid the Employer in its endeavor to become more competitive.

B. During the term of this Agreement the Employer agrees that it will not without the consent of the Union, process at its Rochester plant any Techperl blanks other than those produced at its Wellsville, New York plant.

C. The following provisions shall apply to employees of the employer at its Wellsville plant in order to provide the Employer with the capability of running either a wheel shift and rod cast shift or a second shift on the line.

1. Two Mobile Crews designated as Segment A and Segment B shall be formed, each composed of six (6) employees and a chief operator.

(i) Segment A will be formed by the creation of seven (7) new jobs, six of which ^{will be} ~~have been~~ bid. When the A crew is complete, those holding Mobile Crew jobs will select, by seniority, among the six jobs defined to run a second shift rod cast. They will begin rod cast training and will be paid according to the job selected.

(ii) Segment B will be formed in one stroke at the time of implementation, from the crew of men then holding the jobs as second shift wheel personnel. They, plus their chief operator, will voluntarily accept a job change and from that time be known as Segment B.

(iii) Segments A and B will be brought together to run a second shift on the line when required by production demands. On the first occasion of this combination, line jobs will be selected by seniority, in order, by both the A and B crews. These selections will then constitute their bid jobs and will follow all the standard rules governing job bidding.

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(iv) Once qualified on both of his jobs, each employee holding a Mobile Crew job will be paid at the higher rate of the two jobs that he holds, regardless of the process he is assigned to run at any given time.

(v) When an opening occurs in the Mobile Crew, the job will be posted as either Segment A or Segment B. The successful bidder will then have the right to select within each of his processes, in appropriate sequence, the job of his choice according to seniority. If this displaces an existing Segment job holder, each in turn will select a new job combination according to seniority within his Segment.

(vi) If the process requirements change from mobile to permanent the Segments will be disbanded and the jobs eliminated. Those employees holding Segment jobs will have seniority privileges similar to any job elimination.

D. Anything to the contrary contained in this Agreement notwithstanding, it is expressly agreed by and between the parties that the wage increase provided in Article VIII above shall be applied to those employees of the Employer in its Wellsville plant as set forth in Schedule "A" appended to and made a part of this Agreement.

ARTICLE XXXI SEPARABILITY

Should any part or provision of this Agreement be rendered or declared illegal by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction or by the decision of any authorized government agency, such invalidation of such part or provision shall not invalidate the remainder thereof. In such event the parties hereto agree to negotiate substitute provisions.

ARTICLE XXXII TERM OF AGREEMENT

This Agreement shall be binding upon the parties hereto and their successors in interest and shall be effective from and after June 1, 1974, regardless of the

ate upon which this Agreement is executed and shall remain in full force and effect until June 1, 1977. It shall be automatically renewed from year to year thereafter unless on or before February 1, 1977 or February 1st of any year thereafter notice in writing is given by either the Employer or the Union to the other of its desire to propose changes in this Agreement or of intention to terminate the same upon the ensuing June 1st. If no agreement is reached with reference to such requested modification prior to the ensuing June 1st, this Agreement shall terminate

IN WITNESS WHEREOF, the parties hereto have caused their signatures to be hereunto affixed.

ROCHESTER BUTTON COMPANY

By: [Signature] V. Pres.

ROCHESTER JOINT BOARD AMALGAMATED CLOTHING
WORKERS OF AMERICA, AFL-CIO

By: Abraham Chitman Mgrs.

Exhibit C annexed to Trustee's Application, June 30, 1977
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SCHEDULE A

JOB TITLE	PREVIOUS HOURLY RATE	ADJUSTMENT OF WAGE INCREASES		
		1974	1975	1976
Master Mix	\$ 3.585	\$ 4.025	4.405	4.905
Chief Operator-Line	3.725	4.155	4.585	5.015
Jiggle Operator	3.525	3.955	4.385	4.815
Wheel Operator	3.525	3.955	4.385	4.815
Blank Processing Op.	3.525	3.955	4.385	4.815
Production Test Op.	3.525	3.955	4.385	4.815
Chief Operator Wheel	3.725	4.155	4.585	5.015
Decorator Operator	3.465	3.885	4.305	4.725
Punch Preparation	3.405	3.885	4.305	4.725
Wheel Mix & Weigh	3.465	3.885	4.305	4.725
Chief Operator-Rod Cast	3.665	4.085	4.505	4.925
Punch Operator	3.405	3.815	4.225	4.635
Wheel Punch Operator	3.405	3.815	4.225	4.635
Material Preparation	3.405	3.815	4.225	4.635
Small Mix Operator	3.405	3.815	4.225	4.635
Count Scale	3.405	3.815	4.225	4.635
Rod Conveyor Op.	3.405	3.815	4.225	4.635
Slice & Cure Op.	3.405	3.815	4.225	4.635
Chief Op. Finishing	3.705	4.115	4.525	4.935
Classifier Operator	3.345	3.745	4.145	4.545
Finished Good Op.	3.345	3.745	4.145	4.545
Truck Driver	3.345	3.745	4.145	4.545
Disassembly	3.285	3.675	4.065	4.455
Pour & Let Down	3.285	3.675	4.065	4.455

SCHEDULE "A" (Continued)

JOB TITLE	PREVIOUS HOURLY RATE	ADJUSTMENT OF WAGE INCREASES		
		1974	1975	1976
Line Utility	\$ 3.225	\$ 3.605	3.985	4.365
Relief Helper-Blaze	\$ 3.225	3.605	3.985	4.365
Relief Helper-Line	\$ 3.225	3.605	3.985	4.365
Relief Helper- R.C.	\$ 3.225	3.605	3.985	4.365
Line Pot Wash & Relief	\$ 3.225	3.605	3.985	4.365
Drum Line Operator	\$ 3.225	3.605	3.985	4.365
Wheel Wash & Helper	\$ 3.165	3.536	3.905	4.275
House Service	\$ 3.165	3.536	3.905	4.275
General Hdper-R.C.	\$ 3.165	3.536	3.905	4.275
General Helper-Night	\$ 3.165	3.536	3.905	4.275
General Helper-Pool	\$ 3.165	3.536	3.905	4.275
Assembly	\$ 3.165	3.536	3.905	4.275
30 Day Probation Now Hires	\$ 3.105	3.465	3.825	4.185
Maintenance	\$ 4.245	4.645	5.045	5.445
Belt Sort Lead	\$ 3.045	3.445	3.845	4.245
Sample Turner	\$ 3.005	3.405	3.805	4.205
Belt Sort & Trim	\$ 2.925	3.325	3.725	4.125

Exhibit C annexed to Trustee's Application, June 30, 1977

6/74-B

**AMALGAMATED INSURANCE FUND
INSURANCE & RETIREMENT**

SUPPLEMENTAL AGREEMENT dated as of June 1, 1974
between ROCHESTER BUTTON COMPANY
(herein called the "Employer") and
of the AMALGAMATED CLOTHING WORKERS OF
AMERICA (herein called the "Union").

WITNESSETH:

WHEREAS, the Employer and the Union have executed a Collective Bargaining Agreement (herein called the "Collective Bargaining Agreement") which is now in full force and effect, and

WHEREAS, the Employer has agreed to contribute sums of money equal to a stated percentage of its payroll to a fund or funds to be used to provide pensions or other retirement benefits, life, medical care, hospitalization, accident and health insurance, and other insurance benefits and health care services to employees employed in the men's and boys' clothing industry, including medical care and hospitalization for the families of such employees and an educational assistance program for eligible children of such employees, and to execute a supplemental agreement in the form of this Supplemental Agreement providing for such contributions, and the application thereof, and

WHEREAS, the Employer has heretofore entered into one or more prior supplemental agreements with the Union for the purpose of providing funds for certain of the above described benefits, and

WHEREAS, it is the intention that this Supplemental Agreement shall supersede all prior supplemental agreements from and after June 1, 1974;

NOW, THEREFORE, in consideration of the premises the Union and the Employer agree that the Collective Bargaining Agreement shall be supplemented as follows:

1. Definitions:

(a) The term "employees of the Employer" as used in this Supplemental Agreement means all of the employees of the Employer within the collective bargaining unit fixed by the Collective Bargaining Agreement, including employees during their trial period.

(b) The term "gross wages" as used in this Supplemental Agreement means all of the wages of the employees (as defined in subparagraph (a) hereof) including cost of living bonuses, and vacation and holiday pay.

2. This Supplemental Agreement shall supersede all prior supplemental agreements from and after June 1, 1974; provided, however, that all sums of money paid or payable by the Employer under any prior supplemental agreement to the Trustees designated in one or more Agreements and Declarations of Trust which accompanied, and were made part of, said prior supplemental agreements (insofar as any part of such sums of money so paid to said Trustees have not been expended or applied by said Trustees in accordance with the provisions of said prior supplemental agreements and prior agreements and declarations of trust) shall be applied by the said Trustees to the purposes set forth and provided for in said prior supplemental agreements and agreements and declarations of trust, and subject to the provisions therein contained.

3. A. Commencing on the pay day for the week of June 10, 1974, and weekly thereafter, the Employer shall pay to the Trustees (hereinafter called "Trustees") designated under an Agreement and Declaration of Trust, as most recently amended as of June 1, 1974, the terms and provisions of which Agreement and Declaration of Trust are herein specifically incorporated by reference, seven and eighty six one hundredths per cent (7.86%) of the gross wages payable for

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each pay period to all the employees of the Employer. Except as provided in, and subject to, the provisions of Paragraphs 1C, 1D and 1F of the said Agreement and Declaration of Trust, the said 7.96% of gross wages shall be credited to the Retirement Fund and to the Social Insurance Fund as follows:

(a) 2.8% of gross wages shall be credited to the Retirement Fund,

(b) 5.06% of gross wages shall be credited to the Social Insurance Fund.

B. Commencing on the pay day for the week of September 30, 1974, and weekly thereafter, the Employer shall pay to the Trustees (hereinafter called "Trustees"), designated under an Agreement and Declaration of Trust as most recently amended as of June 1, 1974, the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, nine and seven tenths per cent (9.7%) of the gross wages payable for each pay period to all of the employees of the Employer. Except as provided in and subject to the provisions of paragraphs 1C, 1D and 1F of the said Agreement and Declaration of Trust, the said 9.7% of gross wages shall be credited to the Retirement Fund and to the Social Insurance Fund as follows:

(a) 4.64% of gross wages shall be credited to the Retirement Fund,

(b) 5.06% of gross wages shall be credited to the Social Insurance Fund.

C. Commencing on the pay day for the week of June 2, 1975, and weekly thereafter, the Employer shall pay to the Trustees (hereinafter called "Trustees"), designated under an Agreement and Declaration of Trust as most recently amended as of June 1, 1974, the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, ten and two

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tenths per cent (10.2%) of the gross wages payable for each pay period to all of the employees of the Employer. Except as provided in and subject to the provisions of paragraphs 1C, 1D and 1F, of the said Agreement and Declaration of Trust, the said 10.2% of gross wages shall be credited to the Retirement Fund and to the Social Insurance Fund as follows:

(a) 4.04% of gross wages shall be credited to the Retirement Fund,

(b) 5.56% of gross wages shall be credited to the Social Insurance Fund.

D. Commencing on the pay day for the week of May 31, 1976, and weekly thereafter, the Employer shall pay to the Trustees (hereinafter called "Trustees"), designated under an Agreement and Declaration of Trust as most recently amended as of June 1, 1974, the terms and provisions of which Agreement and Declaration of Trust as amended, are herein specifically incorporated by reference, eleven and six tenths per cent (11.6%) of the gross wages payable for each pay period to all of the employees of the Employer for the preceding pay period. Except as provided in and subject to the provisions of paragraphs 1C, 1D and 1F of the said Agreement and Declaration of Trust, the said 11.6% of gross wages shall be credited to the Retirement Fund and to the Social Insurance Fund as follows:

(a) 4.0% of gross wages shall be credited to the Retirement Fund,

(b) 6.7% of gross wages shall be credited to the Social Insurance Fund.

E. The Trustees and the Advisory Committee, pursuant to the authority vested in them by the said Agreement and Declaration of Trust, as amended June 1, 1974, shall study and review the Retirement

Plan and Social Insurance Plan, and shall determine whether an increase in the payments provided in subparagraphs A, B, C and/or D herein is required. If the Trustees, acting with the prior consent of the Advisory Committee, so determine that an increase is required in Employer payments they shall fix and determine the amount of such increase. Such increase in the percent of gross wages, if any, shall be paid by the Employer together with the contribution required by subparagraphs A, B, C and/or D above.

F. All of the foregoing sums shall be administered and expended by the Trustees pursuant to the provisions of the said Agreement and Declaration of Trust, as amended as of June 1, 1974, for the purpose of providing benefits upon their retirement, and life, accident and health insurance, and such other forms of group insurance for medical care and hospitalization, and to provide health care services, or to provide for the reimbursement of the costs thereof, as the Trustees may reasonably determine, to employees employed by the Employer, and employees employed by other employers, including affiliates of the Amalgamated Clothing Workers of America (herein called the "Amalgamated"), for whom contributions are made to the Amalgamated Insurance Fund in the amounts set forth in this Paragraph, all of whom are members of the group embraced within the general plan in the men's and boys' clothing industry, and also to provide medical care, health care services, or to provide for reimbursement of the costs thereof and hospitalization for the families of such employees, and educational assistance for the eligible children of such employees.

4. The Employer shall furnish to the Trustees, upon request, such information and reports as they may require in the performance of their duties under any of the agreements and declarations of trust. The Trustees, or any authorized agent or representative of the Trustees, shall have the right at all reasonable times during business hours to enter upon the premises of the Employer and to examine and copy such of the books, records, papers and reports of the Employer as may be necessary to permit the Trustees to determine whether the Employer is fully complying with the provisions of Paragraph 3 hereof.

5. No employee or member of his family shall have the option to receive instead of the benefits provided for by any of the agreements

and declarations of trust any part of the contributions of the Employer. No employee or member of his family shall have the right to assign any benefits to which he may be or become entitled under any of the agreements and declarations of trust or to receive a cash consideration in lieu of such benefits either upon termination of the trust therein created, or through severance of employment or otherwise.

6. (A) This Supplemental Agreement and the Collective Bargaining Agreement and the Agreement and Declaration of Trust shall be construed as a single document, and all of the provisions of the Collective Bargaining Agreement relating to the administration and enforcement thereof shall apply to the administration and enforcement of this Supplemental Agreement, provided, however, that any controversy, claim, complaint, grievance or dispute between the parties hereto arising out of or relating to the provisions of this Supplemental Agreement or the interpretation, breach, application or performance thereof, shall be referred by the Union, the Trustees or the Employer for arbitration and determination as hereinafter provided:

(1) Millard Cass, Esq., or his designee, is designated as the Arbitrator under this Supplemental Agreement. In the event of the unavailability of the said Millard Cass, Esq., or his designee, a successor Arbitrator shall be appointed in writing by the Clothing Manufacturers Association of the United States of America and the Amalgamated. In the event they cannot agree on a successor, he shall be appointed forthwith by the American Arbitration Association upon application of the Trustees, the Amalgamated or the Clothing Manufacturers Association of the United States of America.

(2) The powers of the Arbitrator and the procedures for Arbitration hereunder shall be as hereinafter provided. The decision, order, direction, award or action of the Arbitrator shall be final, conclusive, binding and enforceable in a court of competent jurisdiction.

In addition to the power which the Arbitrator may possess pursuant to the within Supplemental Agreement or by operation

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of law, in the event of any breach or threatened breach of this Supplemental Agreement, the Arbitrator, after a hearing, may issue an award providing for a mandatory direction or prohibition.

The Arbitrator shall also have the authority in such case as he shall deem proper to include in his award against the Employer the reasonable costs of collection, including, but not limited to the Arbitrator's fees, legal fees, auditing and accounting costs; providing, however, that no costs of collection shall be awarded against the Employer unless the said award shall also find that the Employer has failed to perform and comply with the terms and provisions of this Supplemental Agreement.

The parties consent that any papers, notices or processes, including subpoenas, necessary or appropriate to initiate or continue an arbitration hereunder to enforce, confirm, vacate or modify an award, may be served by certified mail directed to the last known address of the Employer, the Union and the Trustees.

The Union or the Employer or the Trustees may call such arbitration hearing by giving five (5) days notice by certified mail or two (2) days notice by telegram to the other parties. The Arbitrator, however, if he deems it appropriate, may call a hearing on shorter notice. The parties consent that arbitration hearings shall be heard at such place as the Arbitrator may designate.

The parties agree that the oath of the Arbitrator is waived and consent that he may proceed with the hearing on this submission. In the event a party to arbitration should default in appearing before the Arbitrator, the Arbitrator is hereby empowered to take the proof of the party or parties appearing and render an award thereon.

The Employer's pertinent books, vouchers, papers and records shall be available for examination by duly authorized representatives of the Arbitrator to determine whether there is full compliance with the terms of this Supplemental Agreement.

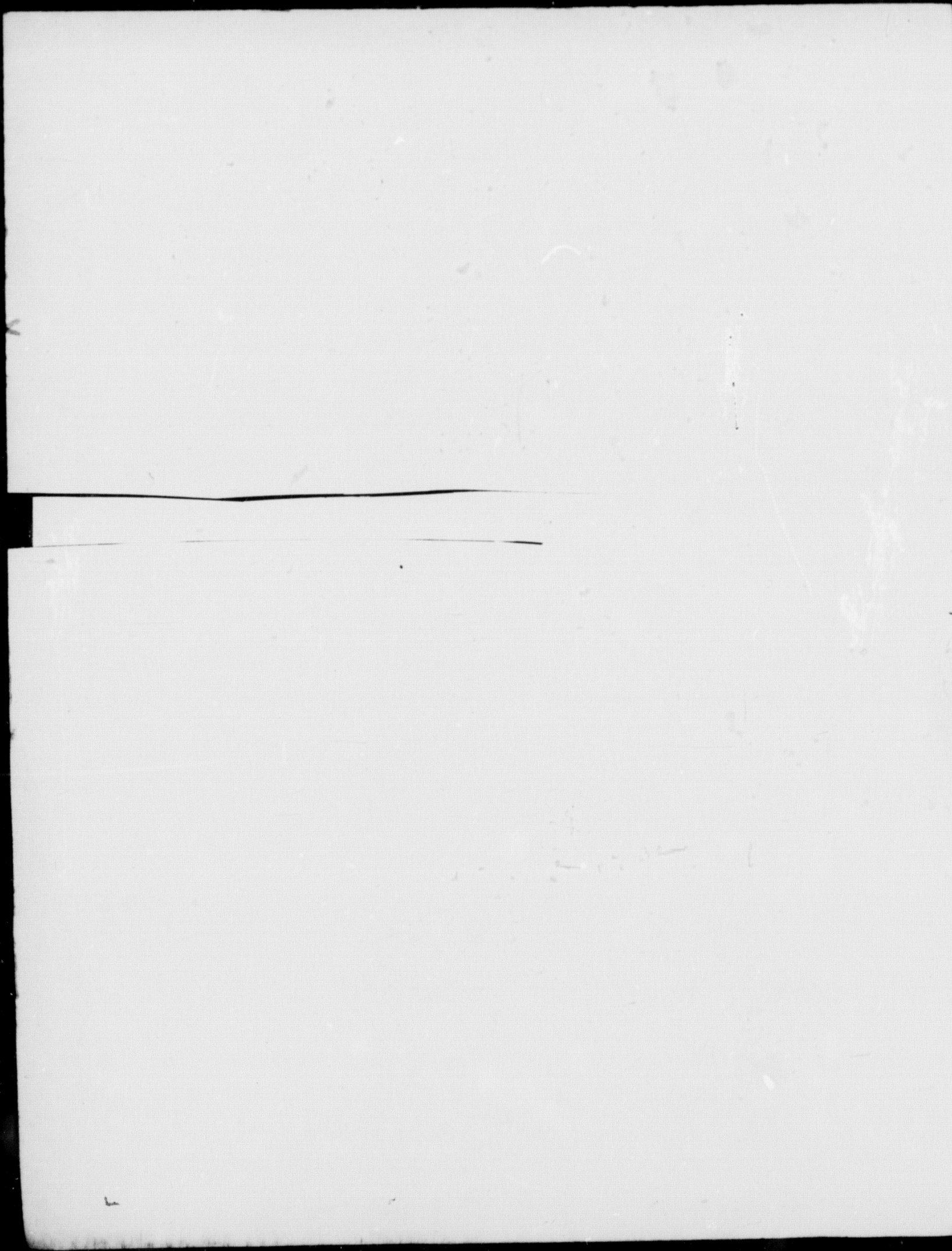
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(B) In the event that the Union receives written notice from one or more of the Trustees designated by the Trustees for that purpose, that the Employer has failed to pay in full any sum due the Trustees under Paragraph 3 hereof and that such failure has continued for five (5) days, the Union may direct its members to discontinue work in the plant of the Employer and to discontinue work upon clothing being manufactured for the Employer by contractors until all sums due from the Employer under Paragraph 3 hereof have been paid in full. The remedy provided for in this subparagraph shall be in addition to all other remedies available to the Union and to the Trustees and may be exercised by the Union, anything in the Collective Bargaining Agreement to the contrary notwithstanding. Payment by the Employer under protest shall be without prejudice to his right to contest the correctness of the Trustees' demand.

(C) The Trustees, in their own names as Trustees, may also institute or intervene in any proceeding at law, in equity or in bankruptcy for the purpose of effectuating the collection of any sums due to them from the Employer under the provisions of Paragraph 3 hereof.

7. In the event that legislation is enacted by the Federal Government levying a tax or other exaction upon the Employer for the purpose of establishing a federally administered system of life, health, accident, medical care or hospitalization insurance under which the employees of the Employer are insured, the Employer shall be credited against the sums payable under Paragraph 3 hereof for each pay period, with the amount of such tax or exaction, payable by him for such pay period, provided that the amount of such credit shall in no event exceed the amount required to be paid at that time to provide the benefits other than retirement.

The Health Insurance for the Aged Act (known as Medicare) as enacted on July 30, 1965, is not legislation within the scope of this Paragraph, and the Employer is not entitled to any credit against the sums payable under Paragraph 3 hereof for any payments made to support the programs and/or benefits provided for in the said Act.



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8. The provisions of this Supplemental Agreement shall remain in full force and effect for the full term of the Collective Bargaining Agreement and of any extensions or renewals thereof, but shall terminate and come to an end with the Collective Bargaining Agreement or any extension or renewal thereof, or prior thereto by an instrument in writing executed by the Clothing Manufacturers Association of the United States of America and the Amalgamated and approved by the Board of Directors of the Clothing Manufacturers Association of the United States of America and the General Executive Board of the Amalgamated.

9. The primary purpose of this Supplemental Agreement and the said Agreement and Declaration of Trust being to provide a practical plan for retirement benefits for employees, and life, accident and health insurance and health care services, and other insurance benefits for employees and their families, it is understood that the form of the plan, and of this Supplemental Agreement and of the Agreement and Declaration of Trust, shall not give rise to a literal or formal interpretation or construction. Such interpretation or construction shall be placed on this Supplemental Agreement, and the Agreement and Declaration of Trust as will assist in the functioning of the plan, for the benefit of employees, and their families, regardless of form.

10. In no event will the Employer be entitled to the return of any part of any contribution made hereunder.

11. Regardless of the date on which the within Supplemental Agreement shall be executed, the within Supplemental Agreement shall be effective as of June 1, 1974, with the same force and effect as if it had been actually executed on that date.

12. Neither the execution of this Supplemental Agreement nor any provision herein contained, or contained in any other agreement affecting the same, shall be deemed to release the Employer from any contribution or contributions provided for in any prior supplemental agreement or agreements, and which have become due and payable to the Trustees referred to in any such supplemental agreement or agreements, and not yet paid to such Trustees.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be executed by their duly authorized representatives as of the day and year first above written.

ROCHESTER BUTTON COMPANY.....
Employer

By *Anthony J. [Signature]* V. Pres.
.....
Title

ROCHESTER JOINT BOARD..... of the
AMALGAMATED CLOTHING WORKERS OF AMERICA

By *Abraham [Signature]*.....

.....
Title

Address of Employer:

.....
Street

.....
City and State

EXHIBIT II

SUPPLEMENTAL AGREEMENT dated as of June 1974, between
ROCHESTER BUTTON COMPANY (hereinafter referred to as the "Employer") and
the ROCHESTER JOINT BOARD AMALGAMATED CLOTHING WORKERS OF
AMERICA, AFL-CIO (hereinafter referred to as the "Union").

WITNESSETH:

WHEREAS, the Employer and the Union are parties to a collective bargaining
agreement as amended by supplemental agreements (hereinafter collectively referred
to as the "Agreement"); and

WHEREAS, the parties have reached an understanding and agreement, the
terms of which they desire to have made part of the Agreement, as a supplement
thereto,

NOW, THEREFORE, in consideration of the mutual covenants, promises and
agreements herein contained the Union and the Employer agree that the Agreement
shall be supplemented as follows:

1. Definitions:

(a) The term "employees of the Employer" as used in this supple-
mental agreement means all of the employees of the Employer in its Rochester,
New York plant within the collective bargaining unit fixed by the Agreement, in-
cluding vacation and holiday pay.

(b) The term "gross wages" as used in this supplemental agreement
means all of the wages of the employees (as defined in sub-paragraph (a) hereby)
including vacation and holiday pay.

2. Commencing on the pay day for the week of June 4, 1956, and weekly
thereafter, the Employer shall transmit 1.267% of the gross wages payable for
each pay period for all of the employees of the Employer to the Directors of the
Sidney Hillman Health Center of Rochester (hereinafter called the "Directors").

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All of the foregoing sums shall be administered and expended by the Directors for the purpose of providing medical care and health services (including, without limitation, the establishment and operation of a health center) for the benefit of the Employer and employees of other employers (including those employees who are retired from active employment by reason of old age or permanent and total disability, in accordance with the By-Laws of the Sidney Hillman Health Center of Rochester as adopted and amended from time to time) under collective bargaining agreement with the Union, and the families of employees in active employment, in accordance with the aforesaid By-Laws.

3. The Employer shall furnish to the Directors, upon request, such information and reports as they may require in the performance of their duties. The Directors, or any authorized agent or representative of the Directors, shall have the right at all reasonable times during business hours to enter upon the premises of the Employer and to examine and copy such of the books, records, papers and reports of the Employer as may be necessary to permit the Directors to determine whether the Employer is fully complying with the provisions of Paragraph 2. above.

4. (a) In the event that the Union receives written notice from one or more of the Directors, designated by the Directors for that purpose, that the Employer has failed to transmit any sum due the Directors under Paragraph 2 and that such failure has continued for five (5) days, the Union may direct its members to discontinue work in the plant of the Employer until all sums due from the Employer under Paragraph 2. above have been paid in full. The remedy provided for in this sub-paragraph shall be in addition to all other remedies available to the Union and the Directors, and may be exercised by the Union, anything in the Agreement to the contrary notwithstanding. Payment by the Employer under protest shall be without prejudice to his right to contest the correctness of the Directors' demand.

(b) The Directors, in their own names as Directors, may institute or intervene in any proceeding at law, in equity or in bankruptcy for the purpose of

Exhibit C annexed to Trustee's Application, June 30, 1977
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effectuating the collection of any sums due to them from the Employer under the provisions of Paragraph 2.

5. The provisions of this Supplemental Agreement shall remain in full force and effect of the full term of the Agreement and of any extensions or renewals thereof.

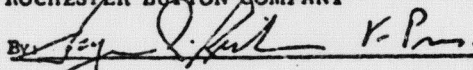
6. This Supplemental Agreement and the Agreement shall be construed as a single document, and all of the provisions of the Agreement relating to the administration and enforcement thereof (including provisions for arbitration) shall apply to the administration and enforcement of this Supplemental Agreement. It is understood that the form of these instruments shall not give rise to a literal or formal interpretation or construction; such interpretation or construction shall be placed on them as will assist in their functioning for the benefit of employees and their families, regardless of form.

7. In no event will the Employer be entitled to the return of any part of any contribution transmitted hereunder.

8. No employee or member of his family shall have the option to receive any part of the monies transmitted to The Sidney Hillman Health Center of Rochester instead of benefits provided, or the right to assign any of such benefits or to receive cash consideration in lieu thereof either through severance of employment or otherwise upon liquidation of The Sidney Hillman Health Center of Rochester.

IN WITNESS WHEREOF, the parties have hereunto caused this Supplemental Agreement to be executed by their duly authorized representatives as of the day and year first above written.

ROCHESTER BUTTON COMPANY

By:  K. P. M.

ROCHESTER JOINT BOARD AMALGAMATED
CLOTHING WORKERS OF AMERICA, AFL-CIO

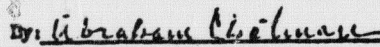
By:  Abraham Chelunne

EXHIBIT D--MEMORANDUM OF AGREEMENT RENEWING EXISTING COLLECTIVE
BARGAINING AGREEMENTS EXCEPT FOR CERTAIN AMENDMENTS,
FOR THE PERIOD JUNE 1, 1977 TO SEPTEMBER 30, 1980
ANNEXED TO TRUSTEE'S APPLICATION, JUNE 30, 1977
MEMORANDUM OF AGREEMENT

Agreement between ROCHESTER BUTTON COMPANY with offices at
300 State Street, Rochester, New York (hereinafter referred to as the
"Employer") and THE ROCHESTER JOINT BOARD AMALGAMATED
CLOTHING WORKERS OF AMERICA, AFL-CIO located at 750 East Avenue,
Rochester, New York (hereinafter referred to as the "Union").

The existing agreement between the parties is hereby renewed except as
herein amended for the period from June 1, 1977 through September 30, 1980.

ARTICLE V
SENIORITY

A. All employees on the active payroll with more than one and one-half
(1 1/2) years of service with the employer shall be designated as permanent
employees and shall have seniority over all other employees with respect to
continuous full time employment.

In the event that the discontinuance of an operation; i.e., job, deprives a
permanent employee of continuous full time work, the employer agrees to
transfer such employee to a position held by a temporary employee provided
that the permanent employee is eligible and capable of performing the work
required on the job to which he is transferred.

In the event that it is necessary to lay off a permanent employee in the Rochester
plant, the employee shall be laid off according to seniority within his department
where skill and ability are approximately equal.

In the event of an extended layoff of a permanent employee; i.e., in excess of

six (6) weeks, the employee shall have the option of accepting a transfer to another department to a job held by the least senior employee in the plant, provided the employee demonstrates the necessary skill and ability to perform the available job.

When jobs become available in the Maintenance Department that do not require special skills, they shall be put up for bid.

Maintenance apprentice programs will be totally excluded from the bidding system. However, applications for apprentice programs will be accepted from qualified employees.

B. All employees with less than one and one-half (1 1/2) years of service with the Employer shall be considered temporary employees and shall be laid off and rehired on their respective positions on the basis of their skill, ability and length of service. Where skill and ability are approximately equal, length of service shall apply.

C. Seniority shall be defined as the total time an employee has been continuously employed, uninterrupted by breaks in employment as defined below.

1. The probationary period shall consist of the first thirty (30) calendar days of employment, but in no case to exceed six (6) weeks, excluding holiday and vacation period from the date of employment, during which time the employee will acquire no seniority right or privileges.

After the probation period, seniority will begin retroactive to the initial hiring date.

2. Seniority rights will be forfeited as a result of any one of the following conditions:

- a. Discharged for just cause
- b. Voluntary resignation
- c. Absent from work in excess of three (3) working days without notification to the Company.
- d. If not recalled from layoff within twelve (12) months.
- e. Failure to return to work after a layoff within five (5) days of a positive recall contact.
- f. An employee is absent on strike or work stoppage in violation of this Agreement.

ARTICLE VIII
WAGES

A. Wage Increase

1. Effective June 1, 1977, all employees of the employer at its Rochester, Wellsville and Akron plants shall receive a wage increase of thirty cents (\$.30) per hour.
2. Effective January 30, 1978, all employees of the employer at its Rochester, Wellsville and Akron plants shall receive a wage increase of thirty cents (\$.30) per hour.
3. Effective October 1, 1978, all employees of the employer at its Rochester, Wellsville and Akron plants shall receive a wage increase of thirty cents (\$.30) per hour.

4. Effective October 1, 1979, all employees of the employer at its Rochester, Wellsville and Akron plants shall receive a wage increase of twenty cents (\$.20) per hour.

B. Cost of Living Allowance

In addition to the general wage increases granted above, there shall be a cost of living adjustment to a maximum of \$.15/hour on October 1, 1978 based on the All Cities Consumer Price Index (1967 = 100) published by the Bureau of Labor Statistics, United States Department of Labor (hereinafter referred to as the CPI).

The cost of living adjustment shall be \$.05 per hour for each full one percent (1%) increase in the CPI above 7 1/2% between April 1, 1977 and April 1, 1978 to a maximum of \$.15 per hour.

An additional cost of living adjustment will be made to a maximum of \$.10/hour on October 1, 1979. The cost of living adjustment shall be \$.053/hour for each full 1% increase in the CPI above 6% between April 1, 1978 and April 1, 1979 to a maximum of \$.10 per hour.

ARTICLE IX
TRANSFERS

A. A temporary transfer shall mean a transfer from one job to another for any period of time including any part of a work day up to a maximum period of thirty (30) calendar days. If the temporary assignment is to

last longer than this period, the continuance must be with the approval of the Union and the employee involved.

1. The Employer shall have the right to transfer employees from one job to another on a temporary basis.

2. An employee who is temporarily transferred shall be paid the hourly rate of the job from which he was transferred or the hourly rate of the new job, whichever is higher.

B. A permanent transfer shall mean a transfer from one job to another for a continuous period of time exceeding thirty (30) calendar days:

1. An employee may be permanently transferred from one job to another only if mutually agreed upon between the Employer and the Union.

2. In the event an employee is permanently transferred from one job to another he shall be paid at a rate which shall be mutually agreed upon, prior to the transfer, between the Employer and the Union.

ARTICLE X VACATIONS

A. Vacation Period. It is agreed that there shall be the following vacation period for employees entitled to vacation pay as hereinafter provided:

1. The summer vacation period which shall be the first two (2) consecutive weeks of July, the first to be the week in which July 4th falls each year, unless the Employer and the Union shall mutually agree upon some other two (2) consecutive weeks during the summer months; and

2. A third week vacation period which shall be mutually agreed upon between the Employer and the Union.

3. In the event that a paid holiday falls within the vacation period, employees entitled to holiday pay shall be entitled to such holiday pay in addition to vacation pay hereinafter provided.

B. Eligibility and Pay.

1. All employees of the Employer who have been in its employ in its plants located at Rochester, Wellsville and Akron, New York for six (6) months, computed to July 1st of the vacation year, are eligible for a paid vacation as follows:

a. Six (6) months but less than nine (9) months, computed to July 1 of the vacation year, twenty (20) hours vacation with pay.

b. Nine (9) months but less than twelve (12) months, computed to July 1 of the vacation year, thirty (30) hours vacation with pay.

c. Twelve (12) months but less than two (2) years, computed to July 1 of the vacation year, forty (40) hours vacation with pay.

d. Two (2) years but less than five (5) years, computed to July 1 of the vacation year, eighty (80) hours vacation with pay.

e. Five (5) years but less than seventeen (17) years, computed to July 1 of the vacation year, one hundred twenty (120) hours vacation with pay.

f. Seventeen (17) or more years, computed to July 1 of the vacation year, as of July 1, 1977, one hundred sixty (160) hours vacation with pay.

Exhibit D annexed to Trustee's Application, June 30, 1977

g. Sixteen (16) or more years, computed to July 1 of the vacation year, as of July 1, 1978, one hundred sixty (160) hours vacation with pay.

h. Fifteen (15) or more years, computed to July 1 of the vacation year, as of July 1, 1979, one hundred sixty (160) hours vacation with pay.

2. The rate for calculating the first two weeks of vacation pay will be the rate paid for the last full week in April.

a. The rate for calculating vacation pay for all subsequent vacations will be the rate paid for the last full week in April plus one-half (1/2) of any wage increase from July 1 of the vacation year.

b. No overtime or extra compensation will be estimated in computing the vacation pay. The extra rate of pay on the night shift, however, shall be considered in the computation of the vacation pay for those particular employees who work nights during the last full week of April.

3. When the business of the Employer is shut down for the vacation period, the Employer shall have no obligation to provide work for such employees who are not entitled to vacation or who are entitled to a vacation period less than the shut down period. Such employees shall be considered on layoff status during the period involved.

4. General Conditions:

a. An employee otherwise eligible for a paid vacation shall not be deemed ineligible because of the fact that he is temporarily laid off or ill at the commencement of the vacation period. The arbitrator is expressly empowered to determine in accordance with the arbitration

procedure provided in this Agreement whether an employee discharged prior to the commencement of the vacation period but otherwise eligible for a paid vacation shall be entitled to vacation pay.

b. Employees who have been in the employ of the Employer a sufficient length of time to have earned a paid vacation as herein set forth but whose employment has been terminated because of termination of business or closing of a plant, shall be entitled to vacation pay prorated as of the date of termination of employment.

c. Vacation pay as provided herein shall be paid on the pay day immediately preceding the applicable vacation period.

ARTICLE XI
HOLIDAYS

A. 1. All employees shall be entitled to ten (10) holidays with pay:

New Year's Day
Good Friday

Memorial Day
Labor Day

July 4th
Thanksgiving Day
Christmas Day

The eighth, ninth and tenth holidays shall be floating holidays to be mutually agreed upon between the Employer and the Union.

2. All such holidays shall be paid for irrespective of the day of the week on which the holiday falls. Should any of the above holidays fall on Sunday, the day celebrated as such shall be considered the holiday.

B. Pay for each holiday shall consist of eight (8) hours pay at the average straight time hourly earnings of the employee for the week in which the holiday occurs. Work performed on a holiday shall be paid for at the rate of

double time or double piece work rate in addition to the holiday pay except that watchmen shall receive eight (8) hours pay in addition to the holiday pay.

C. To be eligible for holiday pay, an employee must have been in the employ of the Employer for not less than thirty (30) calendar days and must have been at work on the work day before and the work day following the holiday unless absent from work for reasonable cause.

D. Holidays that occur during the vacation period shall be paid for in addition to vacation pay, either as eight (8) hours additional vacation pay, or if the employee is not eligible for vacation pay, as if the holiday occurred during the week preceding the vacation period). Holidays shall be considered as hours worked for the purpose of determining the right of the employee to overtime pay for the week in which the holiday occurred.

E. In case employees are out due to extended illness, the Employer will pay holiday and vacation benefits for a period of three (3) months. In case employees are absent for extended illness more than three (3) months, the vacation pay should be prorated on the basis of cumulative weeks worked throughout the vacation year. This subsection shall not apply to cases of absence from employment except by reason of extended illness.

ARTICLE XV OTHER FACTORIES AND CONTRACTORS

A. During the term of this Agreement the Employer agrees that it shall not, without the consent of the Union, remove or cause to be removed its

present plant or plants from the city or cities in which such plant or plants are located.

B. The Employer may not import buttons, produce buttons, or job buttons from foreign markets unless the Employer has and continues to have full employment of the permanent employees, as defined in Article V (A) of this Agreement. Full employment means that the Employer will provide forty (40) hours of work each week, except for holidays, vacations or causes beyond the Employer's control. This paragraph shall have full force and effect, anything in this Agreement to the contrary notwithstanding.

C. The Employer hereby agrees and warrants that it will not liquidate its operation in its Rochester, Wellsville or Akron, New York plants during the term of this contract.

D. In the event that operations of the employer are liquidated at the Rochester, Wellsville or Akron, New York plants during the term of this agreement, the following provisions shall apply:

1. If the operations of the employer are liquidated prior to February 1, 1979, then and in that event, the employer agrees to pay each employee separated as the result of such liquidation, a sum equal to the amount he would have been paid had he not been so separated, said sum to be computed on the basis of an average work week of forty (40) hours for the remainder of the contract period.
2. If liquidation occurs on or after February 1, 1979, the parties shall negotiate the amount of severance pay due each employee.

In the event that the Employer and the Union are unable to mutually agree upon the amount of severance pay to be paid to such employees, then and in that event, the amount of the severance pay shall be determined by an arbitrator selected from a panel proposed by the American Arbitration Association in accordance with the Association's rules and procedures and the determination of the Arbitrator shall be final and binding.

In establishing the amount of the severance pay due each employee, the Arbitrator shall consider the age and length of service of each employee and the employer's above stated intention not to liquidate its Rochester, Wellsville and Akron, New York Facilities.

ARTICLE XVII INSURANCE

A. Pension Plan Agreement

In order to conform to ERISA requirements with respect to past services, the Employer agrees to an additional contribution of up to 2%.

B. Sidney Hillman Health Center, Rochester, New York

The Employer agrees to contribute sums of money equal to a stated percentage of its Rochester factory payroll only to the Sidney Hillman Health Center of Rochester, New York, all as provided in Exhibit II annexed hereto, the terms and provisions of said Exhibit II being specifically incorporated

ARTICLE XXII
BEREAVEMENT LEAVE

The Employer will protect the employee against loss of pay during absence due to a death in his immediate family in accordance with the following regulations:

A. The term "immediate family" shall include only father or mother, husband or wife, son or daughter, brother or sister, father-in-law or mother-in-law, son-in-law or daughter-in-law, grandfather or grandmother or grandchild, brother-in-law or sister-in-law, step children or step parents.

B. An employee will be protected under such circumstances against loss of pay during the time lost from his regularly scheduled work hours at his regular straight time hourly rate subject to the following:

1. The time to be paid for may be any three consecutive days from the day of the death through the day after the funeral inclusive. (If the funeral occurs on a day immediately before a day on which legal banking business cannot be conducted, then in such event the first legal business day following the day of the funeral will be considered the day after the funeral).

2. Compensation shall not exceed pay for three times the number of hours in the regularly scheduled work day.

3. The days which are thus paid for will be counted as days worked for the determination of the sixth day of work in the work week and also as days worked for the purpose of establishing eligibility for holiday pay.

4. One day's pay allowance will be granted in a case when, because of distance or other cause, the employee does not attend the funeral of the deceased.

ARTICLE XXVII
UNIFORMS

This article has been deleted.

ARTICLE XXX
MISCELLANEOUS

A. The Union recognizes that the button industry is highly competitive in nature and the Union agrees to cooperate with the Employer to the fullest extent possible to aid the Employer in its endeavor to become more competitive.

B. During the term of this agreement the Employer agrees that it will not, without the consent of the Union, process at its Rochester Plant any line, wheel, rod blanks other than those made at its Wellsville plant and/or Casein and Thru & Thru blanks other than those made at its Akron factory.

C. The following provisions shall apply to all employees of the Employer at its Wellsville, New York plant:

Chief Operator Guidelines:

Operates under direction of the Foreman.

Oversees the technical aspects of blank manufacture

Gives guidance and instruction to operators regarding the manufacture of blanks.

Not responsible for discipline of operators.

Gives physical assistance when required.

Notifies Foreman of any equipment failures, materials required or other production problems.

Assists Foreman in special projects and trouble shooting.

Pulls relief when necessary.

May be used on temporary assignment when a regular operator is not available.

The Chief Operator is exempt from the Bid System -management selection.

Subject to the same work rules and policies as other hourly employees.

Shall be eligible for overtime outside his job classification only when a regular operator is not available.

If problems should arise with the chief operators that are not clearly defined, the Union may request that the issue of Chief Operator be renegotiated.

Wellsville Bidding System:

Should the Union so decide, the program can be initiated by all personnel maintaining the jobs which they currently hold; if not, all current jobs except maintenance and chief operators will be considered open. The current 35 job categories are consolidated into seven (7) as follows:

<u>New Occupation</u>	<u>Old Occupation</u>
Maintenance	Maintenance
Chief Operator	Blaze Chief Operator Chief Line Operator Chief Finished Goods Operator
A Operator	Master Mix Operator Material Prep. Operator Blaze Operator Jiggle Operator Production Test Operator Decorator Operator Punch Preparation
B Operator	Count Scale Operator Small Mix Operator Line Punch Operator Blaze Punch Operator Blaze Utility Rod Conveyor Operator Slice and Cure Operator Finished Goods Operator Trucker Disassembly Operator Pour and Let Down
C Operator	Drum Line Operator Line Assembly Line Utility Man Line Relief Helper Rod Cast Relief Helper Pot Wash Post Cure Operator Night General Helper Pool General Helper Blaze Wash and Helper Belt Sort Lead Sampler
Probationary	Probationary

Job openings or new jobs created in the maintenance department and chief operator jobs will be totally excluded from the bidding system.

The work force will be surveyed, by seniority, for their preference of primary bid jobs. Categories to be filled in the operating group (A, B, C operators) are 11 A operators, 11 B operators, 12 C operators. Of these bid positions, the jobs of two master mix, one production test., one material prep., one punch prep., one decorator operator, one count scale operator and one trucker must be filled. If these jobs are not bid, they will be filled by assignment of the least senior employees.

When the primary jobs have been selected, the next step is to fill the jobs required for the production processes currently in operation.

Those jobs in an operating process not filled by primary bid will be filled by a secondary bid. In this case, employees whose primary bid jobs are not currently operating will, by seniority, select the open jobs in the operating processes not filled by primary bid. If open jobs are available in the displaced employees occupational group (A, B, C), he must accept one of these jobs. If work is not available in the employee's category, he must accept a job in the next lower occupational group. In this event, he will be paid the rate of his primary bid job.

Chief operators whose primary jobs are not running will accept, by seniority, a job in an operating process in the same manner described above.

Any jobs required for the operating processes not filled by primary or

secondary bid will be filled by assigning the least senior employees whose primary bid jobs are not operating.

Change in Manpower Requirements:

When a change in the work force occurs, either by increase or decrease of production requirements, the following procedures will be followed:

Increase

The number of A, B, C operators needed to meet increased requirements will first be established. The open jobs created will then be offered to employees within these categories who hold these jobs as secondary bid positions. A man can bid sideways or down for his secondary job only.

If these employees accept the open job, it becomes their primary bid job and their previous primary job will be posted for bidding. By seniority, the open jobs will then be filled by bid from employees in the lower categories. Operating jobs not filled by bid will be filled by assignment of least senior employees not working on their primary bid job.

Decrease

If it becomes necessary to reduce the number of production workers and a layoff is required, it will first be established how many jobs in each category are to be eliminated. Layoffs will then be made on the basis of plantwide seniority. Those least senior employees holding primary bid jobs in each occupational group will be displaced. The least senior employees in each occupational group will be displaced to the next lower occupational group and will have the

opportunity to bid into those jobs within the lower occupational group which have been opened by the displacement of less senior employees within that group. Openings created by normal attrition will be filled in the following manner; i.e., the job will be filled by seniority bidding, subsequent openings filled by upward bidding only.

Job Switching:

Jobs can be temporarily switched within an occupation group if:

1. Both employees involved agree
2. Company agrees

There will be a one week trial period when any of the three can negate the switch.

The switch agreement must be renewed every four weeks.

Shift Preference

The decision on shift preference within a primary bid position will be decided by the bargaining unit. When this decision is agreed upon, it will become part of the contract.

Job Qualification

For the primary bid job the qualification procedure currently in effect will be maintained.

On secondary bid job, the procedure for qualification is the same. However, an employee disqualified on his secondary bid job will retain his primary bid job position. His secondary bid position will be established by bidding into open

positions created by the opening in the job for which he did not qualify. He will then be paid the rate of the secondary job on which he qualified when production requires that he fill that job. When temporarily assigned to a job other than his primary or secondary bid jobs, he will be paid the rate of the job or his primary bid job, whichever is higher.

Health and Well Being

Job transfers for reasons of employee health and well being will follow procedures currently in force.

The Employer agrees to review the above system with the Committee within one year and negotiate changes if inequities are found to exist.

D. The following provisions shall apply to all employees of the employer at the Akron, New York plant:

1. All job vacancies, or new jobs created, will be filled through a plantwide bidding system with the exceptions noted below. The eligible bidder with the highest seniority will earn the job and begin the qualification procedure.

- a. All bids will be posted for two (2) full regularly scheduled work days.

- b. By accepting a bid position, an employee agrees to hold the bid position for a period of six (6) months from the first day on the new position. A general exception to this rule pertains to job openings in a higher pay grade. An employee can bid into a higher pay grade at any time. Sideways and downward exceptions during the six months period can be considered for reasons

of health and well being as determined by negotiation between the plant Union committee and plant supervision.

c. The timing of a job change after a bid is accepted will be consistent with filling and training for the jobs related to the bidding round. Production quantity and quality must be maintained. During the interval between bid acceptance and job assignment, the rate of the job actually worked will be paid.

d. Jobs left open by an unsigned bid will be filled by

2. After a bid is accepted, the bidder must qualify on his new job by demonstrating that he can successfully perform the duties of the job to acceptable standards of quality and quantity as determined by plant supervision.

a. The normal qualifying period is up to thirty (30) days and may be extended up to sixty (60) days at supervision's discretion.

b. If any employee is disqualified, his job is put up for bids and the disqualified employee may bid, according to seniority, into the subsequent openings thus created. If a subsequent job opening bid remains unsigned for the two day period, the disqualified employee can be assigned the job and the bidding cycle terminated.

c. If an employee is disqualified from a job, a second bid on that job will only be accepted with the approval of supervision.

3. If a job is eliminated, the employee holding the job may exercise plantwide seniority to select the job of his choice.

ARTICLE XXXII
TERM OF AGREEMENT

This Agreement shall be binding upon the parties hereto and their successors in interest and shall be effective from and after June 1, 1977, regardless of the date upon which this Agreement is executed and shall remain in full force and effect until October 1, 1980. It shall be automatically renewed from year to year thereafter unless on or before June 1, 1980 or June 1st of any year thereafter notice in writing is given by either the Employer or the Union to the other of its desire to propose changes in this Agreement or of intention to terminate the same upon the ensuing October 1. If no agreement is reached with reference to such requested modification prior to the ensuing October 1st, this Agreement shall terminate.

IN WITNESS WHEREOF, the parties hereto have caused their signatures to be hereunto affixed. This agreement is subject to the approval of the Court under the procedures of Chapter X of the Federal Bankruptcy Act.

ROCHESTER BUTTON COMPANY

By

Raymond R. Harris

ROCHESTER JOINT BOARD AMALGAMATED
CLOTHING WORKERS OF AMERICA, AFL-CIO

By

Nicholas L. McVeenie

Rochester, New York

June 9 1977

EXHIBIT E--SUMMARY OF COSTS EXPECTED TO BE INCURRED AS A
RESULT OF MEMORANDUM OF AGREEMENT ANNEXED TO
TRUSTEE'S APPLICATION, JUNE 30, 1977

	<u>6/1/77</u>	<u>2/1/78</u>	<u>10/1/78</u>	<u>10/1/79</u>	<u>Total</u>
Total Hours	374,400	374,400	374,400	374,400	
Increase per Hour	.30	.30	.30	.20	
New Rate per Hour	5.35	5.65	5.95	6.15	
Wage Increase	\$112,320	\$112,320	\$112,320	\$ 74,880	
FICA 5.85%	6,570	6,570	6,570	4,380	
Union Pension 13.6%	40,061	42,307	44,554	46,051	
Health Center 1.267%	1,599	1,689	1,778	1,838	
Holiday	5,000	6,100	6,200	6,300	
Vacation-higher rate & fringe	1,158	1,200	1,225	1,250	
Vacation-adj. to length of service & fringe	---	---	284	1,763	
Total Annualized	\$167,708	\$170,186	\$172,931	\$136,462	
Time Period - Months	8	8	12	12	40
Total Before CPI	\$111,811	\$113,514	\$172,931	\$136,462	\$534,718
Maximum CPI Adjustment			56,160	37,440	
FICA 5.85%			3,285	2,190	
Union Pension, Health Center			8,150	5,160	
Total CPI			67,595	44,790	112,385
Grand Total	\$111,811	\$113,514	\$240,526	\$181,252	\$647,103

COUNTER PROPOSED ORDER BY SUCCESSOR INDENTURE TRUSTEE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In Re:	:	In Proceedings for the
	:	Reorganization of a
	:	Corporation
THE DUPLAN CORPORATION,	:	
DUPLAN FABRICS, INC.,	:	76 B 1967 (KTD)
	:	76 B 1968
Debtors.		

COUNTER ORDER

-----X

Upon the annexed affidavit of Malcolm J. Hood, a Vice President of United States Trust Company of New York, Indenture Trustee herein under The Duplan Corporation Indenture, dated February 1, 1969, for 5 1/2% convertible subordinated debentures due February 1, 1994 and sufficient cause appearing therefor and upon all prior proceedings heretofore had herein, it is

NOW, on motion of Curtis, Mallet-Prevost, Colt & Mosley, attorneys for the Indenture Trustee,

ORDERED, that except for Article XV D therein which is hereby rejected the Memorandum of Agreement by and between the Rochester Button Company, a division of the Duplan Corporation, and The Rochester Joint Board Amalgamated Clothing Workers of America, AFL-CIO be and the same hereby is approved and the execution of said Memorandum of Agreement except for Article XV D therein which is hereby rejected be and the same is hereby authorized and it is further

A 88
Counter Order

ORDERED, that Alfred P. Slaner as reorganization Trustee herein, be and he hereby is authorized to do all things and to make, execute and deliver all documents and papers as may be necessary or appropriate to effectuate the intent of this order.

Dated: New York, New York
July , 1977

U.S.D.J.

AFFIDAVIT OF MALCOLM J. HOOD, OFFICER OF SUCCESSOR INDENTURE
TRUSTEE IN OPPOSITION TO REORGANIZATION TRUSTEE'S APPLICATION

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In Re: In Proceedings for the
: Reorganization of a Cor-
: poration
THE DUPLAN CORPORATION :
DUPLAN FABRICS, INC., : 76 B 1967 (KTD)
: 76 B 1968
Debtors.

AFFIDAVIT

-----X

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

MALCOLM J. HOOD being duly sworn, deposes and
says:

1. I am Vice President of United States Trust
Company of New York (the "Trust Company"), Indenture Trustee
under The Duplan Corporation ("Duplan") Indenture, dated
February 1, 1969, under which were issued 5 1/2% convertible
subordinated debentures due February 1, 1994. I was an
officer of the Trust Company during all relevant times. All
references to the Trust Company are to its capacity as Trustee
under the Indenture.

2. This affidavit is respectfully submitted with
respect to the application (the "Application") of Alfred P.
Slaner, the reorganization Trustee, dated June 30, 1970, and
the Notice of Settlement, dated June 30, 1977, for a presen-
tation of the Application and a proposed order approving the

*Affidavit of Malcolm J. Hood, Officer
of Successor Indenture Trustee*

Memorandum of Agreement (the "Memorandum") by and between the Rochester Button Company, a division of Duplan, and the Rochester Joint Board Amalgamated Clothing Workers of America, AFL-CIO (the "Union") to the Honorable Kevin T. Duffy, U.S. District Judge, in Chambers, Foley Square, New York, New York on the 8th day of July, 1977 at 10:00 A.M.

3. Subparagraph 6(a)-(f) of the Trustee's Application restates the amendments with respect to wages and benefits that have been agreed to by the Trustee and the Union.

4. Subparagraph 6(f) of the Trustee's Application states as follows:

"Rochester has agreed to refrain from liquidating its operations in any of the three plants covered under the Agreements, subject to the payment to each employee separated prior to February 1, 1969 as a result of such liquidation, of a sum equal to the amount said employee would have received if such employee had not been separated; said amount would be computed on the basis of a 40-hour average work week for the period ending September 30, 1980. If a plant liquidation occurs subsequent to February 1, 1979, Rochester and the Union shall negotiate the amount of severance pay to be paid to each Union employee. In the event the parties are unable to agree upon the amount of severance pay, a determination shall be made by an arbitrator selected by a panel proposed by the American Arbitration Association; the arbitrator's determination shall be final and binding."

5. The above-quoted summary from the Trustee's

Application is a summary of Article XV D of the Memorandum of Agreement between Rochester and the Union. A photocopy of Article XV D of the Memorandum of Agreement is attached hereto as Exhibit A.

6. Pursuant to the authority granted under Section 116(1) of the Bankruptcy Act permitting the court to reject executory contracts of the debtor, Article XV D of the Memorandum of Agreement must be rejected on the basis that mandatory severance payments therein described will jeopardize the reorganization proceeding and the continuing operations of Duplan as an onerous and burdensome obligation. Duplan does not have available funds to assume the attendant liability of severance payments if Rochester is liquidated. Furthermore, the mandatory severance payment will seriously effect the performance of Duplan and its possibility of reorganization.

7. While the further obligations and duties of Rochester as set forth in paragraph 6 of the Trustee's Application may somewhat constrict the operation of Rochester, the mandatory payment of severance pay if Rochester liquidates prior to September 30, 1980 is not beneficial to Duplan and the reserves for this contingency will substantially constrict Rochester's current operations while impairing the interest of creditors and debenture holders by giving the employees of Rochester a priority in payment for wages given to them if the division liquidates. If Rochester were liquidated with the

*Affidavit of Malcolm J. Hood, Officer
of Successor Indenture Trustee*

mandatory severance payments, such payments would have a substantial negative economic impact on the continuing operation of Duplan.

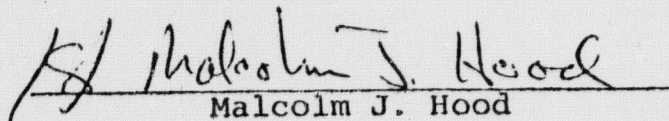
8. While the Trustee annexed a summary of costs which are expected to be incurred as a result of the Memorandum of Agreement (see Exhibit "E" to the Trustee's Application, a photocopy of which is attached hereto as Exhibit "B", not included in such summary costs incurred as a result of the Memorandum of Agreement is an analysis of the cost to Duplan in the event that Rochester is liquidated from June 1, 1977 through February 1, 1979 or from February 1, 1979 through September 30, 1980 and severance payments are made to the Rochester employees.

9. Rochester's agreement with the Union to refrain from liquidating its operations in any of the three plants covered under the Agreements, subject to the payment to each employee separated prior to February 1, 1979 as a result of such liquidation, of a sum equal to the amount said employee would have received if such employee had not been separated, in addition to a negotiation of a severance pay if a plant liquidation occurs subsequent to February 1, 1979, is an onerous and burdensome obligation of Duplan. Additionally, because the wages are administrative expenses and would have to be provided for in any reorganization plan, such potential mandatory severance payments would substantially constrict

*Affidavit of Malcolm J. Hood, Officer
of Successor Indenture Trustee*

Rochester's and Duplan's current operations as well as impairing the interests of creditors and debenture holders and preventing a viable reorganization of Duplan.

10. Therefore we respectfully request that Article XV D of the Memorandum of Agreement be rejected.


Malcolm J. Hood

Sworn to before me this
13th day of July, 1977

Notary Public

STEPHEN K. BONE
NOTARY PUBLIC, STATE OF NEW YORK
No. 31-4513899
Qualified in ... County
Commission Expires March 30, 1979

EXHIBIT A--ARTICLE XV D OF MEMORANDUM ANNEXED
TO AFFIDAVIT OF MALCOLM J. HOOD

Identical to portion of Exhibit D annexed to Trustee's Application printed herein at pages A73 to A75.

EXHIBIT B--SUMMARY OF COSTS ANNEXED TO
AFFIDAVIT OF MALCOLM J. HOOD

Identical to Exhibit E annexed to Trustee's Application printed herein at page A86.

A 95

LETTER DATED AUGUST 25, 1977 FROM LONN A. TROST ON BEHALF OF
REORGANIZATION TRUSTEE TO JUDGE DUFFY ENCLOSING PROPOSED ORDER

SHEA GOULD CLIMENKO & CASEY

330 MADISON AVENUE
NEW YORK, NEW YORK 10017

MILES F. McDONALD
SAUL S. STREIT
OF COUNSEL

WASHINGTON, D. C. OFFICE
1250 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036
(202) 633-8850
CABLE MINGO

MARIO V. MINARELLI*
JUDSON A. GOULD*
RESIDENT PARTNERS

EUROPEAN OFFICE
20 CHARLES STREET
LONDON W1X 7PD
01-491-3515
TELEX: 25836

GEORGE E. BOSS*
RESIDENT PARTNER

*NOT ADMITTED IN NEW YORK

WILLIAM A. SHEA
JESSE CLIMENKO
BRUCE A. HECKER
JAMES J. A. GALLAGHER
BERNARD J. RUGGIERI
JULIAN S. BUSH
ALLAN J. PARKER
ROBERT J. RUBEN
IRVING JACOBSON
SAMUEL W. INGRAM, JR.
JOHN A. CRAIG
KEVIN D. McGRATH
WILLIAM C. FINNERAN, JR.
ALLAN R. TESSLER
HERMAN A. BURSKEY
THOMAS E. CONSTANCE
LESTER YASSKY
JOEL I. PAPERNIK
ROGER CUKRAS
JOSEPH FERRARO

MILTON S. GOULD
ROBERT J. CASEY
EDWIN H. JONES
BERNARD D. FISCHMAN
MARTIN I. SHELTON
VINCENT D. McDONNELL
RALPH L. ELLIS
GEORGE DE GENARO
SHELDON D. CANHY
WILLIAM A. HAGAN, JR.
MICHAEL LESCH
LEON P. GOLD
VINCENT W. QUINN, JR.
RONALD H. ALLENSTEIN
ARNOLD S. JACOBS
IRA POSTEL
ROBERT W. CLAESON
STUART HIRSHFIELD
DANIEL L. CARROLL

(212) 661-3200

TELEX: 423973

CABLE: HOLMANG

August 25, 1977

Honorable Kevin T. Duffy
United States District Judge
United States Courthouse
Foley Square
New York, New York 10007

Re: The Duplan Corporation -
Rochester Union Contract

Dear Judge Duffy:

By Notice of Settlement dated June 30, 1977, the reorganization Trustee submitted a proposed order relating to a Memorandum of Agreement (the "Agreement") by and between the Rochester Button Company, a division of The Duplan Corporation, and The Rochester Joint Board Amalgamated Clothing and Textile Workers Union (the "Union"). The proposed order would have authorized the Trustee's execution of the Agreement with the Union. The bank creditors herein have advised the undersigned with respect to their objection to Article XV of the Agreement while the indenture Trustee has evidenced its objections by presenting a proposed counter-order.

As a result of the aforesaid objections, the reorganization Trustee reviewed the Agreement with the Union and its counsel in order to determine whether or not a resolution of the issues could be forthcoming. Inasmuch as an immediate settlement of the situation does not seem possible, the undersigned has discussed with counsel for the Union, the indenture Trustee and the bank creditors herein, the presentment of a proposed new order to the Court which would enable the Trustee to comply with all aspects of the Agreement, with the exception of Article XV, subject to a hearing to be held before Your Honor at a later date.

Letter dated August 25, 1977 enclosing Proposed Order

SHEA GOULD CLIMENR. & CASEY

Honorable Kevin T. Duffy

-2-

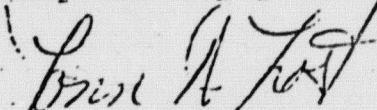
August 25, 1977

Counsel for the indenture Trustee, the bank creditors herein, as well as the Union, have indicated their approval of the proposed new order which the reorganization Trustee believes is equitable under the circumstances. The proposed new order would enable the Union workers to begin receiving their appropriate salary increases without waiting for a hearing and an ultimate resolution with respect to the Agreement.

Accordingly, copies of this letter and copies of the proposed new order are being circulated among all parties who received copies of the original order with a request that they advise Your Honor no later than Thursday, September 1st, of any objections which they might have to the proposed new order.

Thank you.

Respectfully yours,


Lonn A. Trost

LAT:cb

cc: Securities and Exchange Commission
Zalkin, Rodin & Goodman
Curtis, Mallet-Prevost Colt & Mosle
Bader & Bader
Hahn, Hessen, Margolis & Ryan
Mr. Milton Klein
Striker, Striker & Stenby
Krantz, Landau, Lieb & Nostrand
Bresler, Kallman, Hackmyer & Walzer
Michael T. Harren, Esq.

Letter dated August 25, 1977 enclosing Proposed Order

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x		
In Re	:	In Proceedings for
	:	the Reorganization
	:	of a Corporation
THE DUPLAN CORPORATION,	:	
DUPLAN FABRICS, INC.,	:	76 B 1967 (KTD)
	:	76 B 1968
Debtors.	:	

ORDER

-----x

Upon the application (the "Application") of Alfred P. Slaner, as reorganization Trustee herein, dated June 30, 1977 and the exhibits annexed thereto, the affidavit of Malcolm J. Hood, a Vice President of United States Trust Company of New York, indentur Trustee herein, sworn to on July 13, 1977, the August 25, 1977 letter of Lonn A. Trost, Esq. to the Honorable Kevin T. Duffy, United States District Judge, and sufficient cause appearing therefor and no adverse interest having been represented and upon all prior proceedings heretofore had herein, it is

NOW, on motion of Shea Gould Climenko & Casey, attorneys for the reorganization Trustee herein,

ORDERED, that Alfred P. Slaner, as reorganization Trustee herein, be and he hereby is authorized to comply with all of the provisions of the Memorandum of Agreement (the "Agreement") by and between the Rochester Button Company, a division of The Duplan Corporation, and The Rochester Joint Board Amalgamated Clothing and Textile Workers Union (the "Union"), a copy of which is annexed

to the Application as Exhibit "D" with the exception of Article XV thereof as if the Agreement had been approved and authorized by this Court and executed by the reorganization Trustee subject to a hearing on the Agreement to be held on , 1977 and without prejudice to the rights of the reorganization Trustee or the Union to renegotiate the terms of the Agreement if the execution of the Agreement is not ultimately authorized by this Court.

Dated: New York, New York
1977

United States District Judge

ORDER OF JUDGE DUFFY ENTERED SEPTEMBER 6, 1977

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

U.S. DISTRICT COURT
Filed
SEP 6, 1977
S.D. of N.Y.

-----x
In Re

THE DUPLAN CORPORATION,
DUPLAN FABRICS, INC.,

Debtors.
-----x

In Proceedings for
the Reorganization
of a Corporation

76 B 1967 (KTD)
76 B 1968

ORDER

Upon the application (the "Application") of Alfred P. Slaner, as reorganization Trustee herein, dated June 30, 1977 and the exhibits annexed thereto, the affidavit of Malcolm J. Hood, a Vice President of United States Trust Company of New York, indentur Trustee herein, sworn to on July 13, 1977, the August 25, 1977 letter of Lonn A. Trost, Esq. to the Honorable Kevin T. Duffy, United States District Judge, and sufficient cause appearing therefor and no adverse interest having been represented and upon all prior proceedings heretofore had herein, it is

NOW, on motion of Shea Gould Climenko & Casey, attorneys for the reorganization Trustee herein,

ORDERED, that Alfred P. Slaner, as reorganization Trustee herein, be and he hereby is authorized to comply with all of the provisions of the Memorandum of Agreement (the "Agreement") by and between the Rochester Button Company, a division of The Duplan Corporation, and The Rochester Joint Board Amalgamated Clothing and

Order of Judge Duffy, September 6, 1977

Textile Workers Union (the "Union"), a copy of which is annexed to the Application as Exhibit "D" with the exception of Article XV thereof as if the Agreement had been approved and authorized by this Court and executed by the reorganization Trustee subject to a hearing on the Agreement to be held on SEPTEMBER 27, 1977 and without prejudice to the rights of the reorganization Trustee or the Union to renegotiate the terms of the Agreement if the execution of the Agreement is not ultimately authorized by this Court.

Dated: New York, New York
SEPTEMBER 2, 1977

S/ KEVIN THOMAS DUFFY
United States District Judge

AFFIDAVIT OF JAMES D. GLASS SUBMITTED ON BEHALF OF CHEMICAL BANK,
ET AL. IN OPPOSITION TO APPLICATION OF REORGANIZATION TRUSTEE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In Re

THE DUPLAN CORPORATION,
DUPLAN FABRICS, INC.,

Debtors.

In Proceedings for
the Reorganization
of a Corporation

76 B 1976 (KTD)
76 B 1968

AFFIDAVIT

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

JAMES D. GLASS, being duly sworn, deposes and says:

1. I am an attorney at law duly admitted to practice before this Court and associated with the firm of Zalkin, Rodin & Goodman, attorneys for Chemical Bank, North Carolina National Bank, The First National Bank of Chicago and Security Pacific National Bank, the secured bank lenders (the "Secured Bank Lenders") of The Duplan Corporation ("Duplan").

I submit this affidavit on behalf of the Secured Bank Lenders in opposition to so much of the application (the "Application") of Duplan's reorganization trustee (the "Trustee") seeking an order approving the Trustee's execution, delivery and performance of a proposed collective bargaining agreement (the "Agreement") between Duplan's Rochester Button Company ("Rochester") division and The Rochester Joint Board Amalgamated Clothing Workers of America, AFL-CIO (the "Union"), which seeks approval of Article "XV D." of the Agreement, because such provision potentially creates an intolerable

post-petition administration expense which could equal as much as \$6,400,000.

2. The Secured Bank Lenders are creditors of Duplan in the unpaid principal amount of approximately \$38 million (the "Indebtedness"). The Indebtedness is secured by liens, pledged and/or security interests upon all or substantially all of the fixed assets of Duplan and its subsidiaries and the capital stock of such subsidiaries (the "Collateral"). Note 5(b) to Duplan's consolidated financial report, as at October 3, 1976, prepared by the Trustee's accountants, states that the fixed assets portion of the Collateral had a "net book amount of \$8,500,000". The total equity of Duplan's subsidiaries after excluding amounts due such subsidiaries from Duplan and Duplan Fabrics, Inc., both Chapter X debtors, is approximately \$8,500,000. Therefore, the total book value of the Collateral is \$17,000,000, or in excess of \$21,000,000 less than the Indebtedness. Although the value of the Collateral for the Indebtedness is not presently capable of more accurate determination, it appears that it is substantially less than the amount of the Indebtedness. Accordingly, the Secured Bank Lenders will be substantial unsecured creditors of Duplan because of the expected deficiency in Collateral values, and, therefore, have a significant interest in the outcome of the Application.

3. The Trustee seeks an order approving the execution, delivery and performance of the Agreement. The Agreement

covers Rochester's employees employed at its three plants located in Rochester, Wellsville and Akron, New York, for a period slightly in excess of three years, from June 1, 1977 through September 30, 1980.

Article "XV D." of the Agreement provides that if Rochester's operations at any one or more of such plants is liquidated prior to February 1, 1979, Rochester shall pay each employee a sum equal to the amount he would have been paid had he not been so separated, and if any one or more of such plants is liquidated after February 1, 1979, and the parties are unable to agree upon the amount of severance pay, then it shall be determined by arbitration.

The Trustee's counsel have advised deponent that Rochester has 174 employees who would be covered by the Agreement, each earning approximately \$11,000 per annum or an aggregate of approximately \$1,900,000 per annum and \$6,400,000 over the life of the Agreement. Accordingly, if Duplan is not capable of reorganization except through liquidation, or the Trustee determines to liquidate Rochester, or Duplan is adjudicated a bankrupt, an administration claim could result of up to \$6,400,000, depending at what point the liquidation (and termination of employees) occurs during the remaining life of the Agreement. Such claim must be paid in full before pre-administration claimants would receive any distribution. Further, if the Trustee determined to discontinue Rochester, the resulting

administration claim would be of such magnitude that it would probably destroy Duplan's ability to reorganize.

4. It is clear that any agreement entered into by a reorganization trustee in the course of a Chapter X proceeding is an administration obligation of such proceeding and any damages arising out of its breach, constitute an administration expense of such proceeding which must be paid in full prior to other interested parties receiving any distribution upon their claims.

5. The latest statement of operations for the ten (10) month period ended July 31, 1977 filed by the Trustee reflects that Duplan and its subsidiaries have operated at a consolidated loss of \$355,000 (a copy of the statement is annexed hereto as Exhibit "A"). Rochester, the subject of the Agreement, has had declining operating profits and for such ten (10) month period reflected net profits of \$141,000 on \$10,000,000 of sales.

The Trustee has not to date filed his Section 167 Report. Such report, as required by Section 167(1) of the Bankruptcy Act, as amended, must contain the Trustee's views with regard to ". . . the operation of [the] business and the desirability of continuance thereof, and of any other matter relevant. . . to the formulation of a plan. . ." As a result, the creditors of Duplan do not now have an expression of the

Trustee's views as to whether Duplan is reorganizable, and if so, as to what would be its continuing lines of its business.

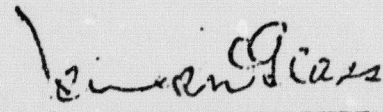
Under these conditions, the creation of a post-petition expense of administration of the magnitude of as much as \$6,400,000 should be rejected by this Court.

Moreover, if Duplan or the Trustee should desire not to liquidate but to sell Rochester, the existence of the contested provision in the agreement will of necessity adversely affect the purchase price.

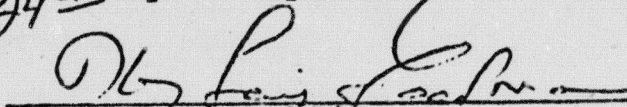
I have been advised that the original reason for the inclusion of the provision for severance pay upon liquidation of any of Rochester's plants in prior collective bargaining agreements was the Union's fear that Rochester would relocate out of the Rochester, New York, area, rather than discontinuance of its business for financial reasons, a "runaway shop class". The present situation is quite different and requires different treatment. It may be entirely appropriate for the Trustee to agree with this Court's approval to a "runaway shop class", to wit, that he will not relocate Rochester's plants located in Rochester. It is respectfully submitted that such covenant might be acceptable to the Union and would provide the protection that it bargained to obtain.

WHEREFORE, on behalf of the Secured Bank Lenders, it is respectfully requested that this Court deny the Application and direct the Trustee to renegotiate the Agreement so as to

exclude from the definition of liquidation under Article XV D. of the Agreement, discontinuance of Rochester's operations in any of its plants if the Trustee deems it in the best interest of Duplan and its creditors, for financial reasons, or if Duplan is liquidated either in its Chapter X proceedings through a plan in the nature of liquidation or by virtue of its adjudication.


James D. Glass

Sworn to before me this
24th day of September 1977


Notary Public

HENRY LEWIS GOODMAN
Notary Public, State of New York
No. 03-1501700
Qualified in Westchester County
Certificate filed in New York County
Commission Expires March 30, 1979

EXHIBIT A--STATEMENT OF OPERATIONS FOR THE MONTH AND
TEN-MONTH PERIOD ENDED JULY 31, 1977
ANNEXED TO AFFIDAVIT OF JAMES D. GLASS

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X		
In Re	:	In Proceedings for
	:	the Reorganization
	:	of a Corporation
THE DUPLAN CORPORATION,	:	
DUPLAN FABRICS, INC.	:	76 B 1967 (KTD)
	:	76 B 1968
Debtors	:	
-----X		

STATEMENT OF OPERATIONS
FOR THE MONTH AND
TEN MONTHS ENDED JULY 31, 1977

ALFRED P. SLANER, REORGANIZATION TRUSTEE
THE DUPLAN CORPORATION AND DUPLAN FABRICS, INC.
AND OTHER SUBSIDIARIES NOT INCLUDED IN THE BANKRUPTCY PROCEEDINGS
STATEMENT OF OPERATIONS
FOR THE MONTH ENDED JULY 31, 1977
UNAUDITED
(000'S OMITTED)

	Companies Under Bankruptcy Proceedings			Subsidiaries Not Included in the Bankruptcy Proceedings	Eliminations	Consolidated Total
	Duplan Corp.	Duplan Fabrics	Total			
Net Sales	<u>\$ 1,092</u>	<u>\$ 507</u>	<u>\$ 1,599</u>	<u>\$ 3,699</u>	<u>\$ (176)</u>	<u>\$ 5,122</u>
Gross Profit	255	26	281	567		848
Selling, general and administrative expenses	301	90	391	339		730
Other income (expenses)	33	2	35	16		51
Tax Provision	-	-	-	(5)		(5)
Net income (loss) before corporate charges	(13)	(62)	(75)	249		174
Corporate charges (income)	(107)	(36)	(71)	71		
Net income (loss)	<u>\$ 94</u>	<u>\$ (98)</u>	<u>\$ (4)</u>	<u>\$ 178</u>	<u>\$</u>	<u>\$ 174</u>
Net income (loss) before corporate charges	\$ (13)	\$ (62)	\$ (75)	\$ 249	\$	\$ 174
Depreciation included above	52	52	104	47		151
Cash provided (applied to) operations	<u>\$ 39</u>	<u>\$ (10)</u>	<u>\$ 29</u>	<u>\$ 296</u>	<u>\$</u>	<u>\$ 325</u>

Exhibit A annexed to Affidavit of James D. Glass

A 108

8/31/77

ALFRED P. SLANER, REORGANIZATION TRUSTEE
THE DUPLAN CORPORATION
STATEMENT OF OPERATIONS OF DIVISIONS EXPECTED TO CONTINUE
FOR THE MONTH ENDED JULY 31, 1977
UNAUDITED
(000'S OMITTED)

	CONSOLIDATED	CORPORATE	(NOTE 6) DILLON YARN TEXTURING	ROCHESTER BUTTON
Net Sales	<u>\$ 1,092</u>	<u>\$</u>	<u>\$ 282</u>	<u>\$ 810</u>
Gross Profit	255		15	240
Selling, general and administrative expenses	301	87	(63)	277
Other income (expenses)	<u>33</u>	<u>46</u>		<u>(13)</u>
Net income (loss) before corporate charges	(13)	(41)	78	(50)
Corporate charges (income)	<u>(107)</u>	<u>(163)</u>		<u>56</u>
Net income (loss)	<u>\$ 94</u>	<u>\$ 122</u>	<u>\$ 78</u>	<u>\$(106)</u>
Net income before corporate charges	\$ (13)	\$ (41)	\$ 78	\$ (50)
Depreciation included above	<u>52</u>		<u>18</u>	<u>34</u>
Cash provided from (applied to) operations	<u>\$ 39</u>	<u>\$ (41)</u>	<u>\$ 96</u>	<u>\$ (16)</u>

8/31/77

Exhibit A annexed to Affidavit of James D. Glass

ALFRED P. SLANER, REORGANIZATION TRUSTEE
 DUPLAN FABRICS, INC.
 (A WHOLLY OWNED SUBSIDIARY OF THE DUPLAN CORPORATION -
 ALFRED P. SLANER, REORGANIZATION TRUSTEE)
 STATEMENT OF OPERATIONS OF DIVISIONS EXPECTED TO CONTINUE
 FOR THE MONTH ENDED JULY 31, 1977
 UNAUDITED
 (COO'S OMITTED)

	Consolidated	Eliminations	DWK Fabrics	Naomi	(NOTE 7) Menswear	Prints
Net Sales	<u>\$ 507</u>	<u>\$(42)</u>	<u>\$289</u>	<u>\$203</u>	<u>\$</u>	<u>\$ 57</u>
Gross Profit	26		35	8		(17)
Selling, general and administrative expenses	90		55			35
Other income (expenses)	<u>2</u>	<u></u>	<u></u>	<u>2</u>	<u></u>	<u></u>
Net income (loss) before corporate charges	(62)		(20)	10		(52)
Corporate charges	<u>36</u>	<u></u>	<u>22</u>	<u>8</u>	<u></u>	<u>6</u>
Net income (loss)	<u>\$ (98)</u>	<u>\$</u>	<u>\$(42)</u>	<u>\$ 2</u>	<u>\$</u>	<u>\$(58)</u>
Net income (loss) before corporate charges	\$ (62)	\$	\$(20)	\$ 10		\$(52)
Depreciation included above	<u>52</u>	<u></u>	<u>6</u>	<u>46</u>	<u></u>	<u></u>
Cash provided from (applied to) operations	<u>\$ (10)</u>	<u>\$</u>	<u>\$(14)</u>	<u>\$ 56</u>	<u>\$</u>	<u>\$(52)</u>

Exhibit A annexed to Affidavit of James D. Glass

A 110

8/31/77

SUBSIDIARIES OF THE DUPLAN CORPORATION (ALFRED P. SLANER, REORGANIZATION TRUSTEE)
NOT INCLUDED IN THE BANKRUPTCY PROCEEDINGS
COMBINED STATEMENT OF OPERATIONS OF SUBSIDIARIES EXPECTED TO CONTINUE
FOR THE MONTH ENDED JULY 31, 1977

UNAUDITED
(000'S OMITTED)

	<u>Consolidated</u>	<u>Andrex/Laga</u>	<u>Wundies</u>	<u>Kitchener Button</u>
Net Sales	<u>\$3,699</u>	<u>\$1,522</u>	<u>\$ 2,146</u>	<u>\$ 31</u>
Gross Profit	<u>567</u>	<u>171</u>	<u>417</u>	<u>(21)</u>
Selling, general and administrative expenses	339	140	178	21
Other income (expenses)	16	25	(3)	(6)
Tax provision	<u>(5)</u>	<u> </u>	<u>14</u>	<u>(19)</u>
Net income (loss) before corporate charges	249	56	222	(29)
Corporate charges	<u>71</u>	<u>33</u>	<u>38</u>	<u>-</u>
Net income (loss)	<u>\$ 178</u>	<u>\$ 23</u>	<u>\$ 184</u>	<u>\$ (29)</u>
Net income (loss) before corporate charges	\$ 249	\$ 56	\$ 222	\$ (29)
Depreciation included above	<u>47</u>	<u>25</u>	<u>10</u>	<u>12</u>
Cash provided from (applied to) operations	<u>\$ 296</u>	<u>\$ 81</u>	<u>\$ 232</u>	<u>\$ (17)</u>

Exhibit A annexed to Affidavit of James D. Glass

A 111

8/31/77

ALFRED P. SLANER, REORGANIZATION TRUSTEE
THE DUPLAN CORPORATION AND DUPLAN FABRICS, INC.
AND OTHER SUBSIDIARIES NOT INCLUDED IN THE BANKRUPTCY PROCEEDINGS
STATEMENT OF OPERATIONS
FOR THE TEN MONTHS ENDED JULY 31, 1977
UNAUDITED
(000's OMITTED)

	Duplan Corporation	Duplan Fabrics	Total	Subsidiaries Not Included in the Bankruptcy Proceedings	Elimina- tions	Consoli- dated Total
Net Sales	<u>\$15,118</u>	<u>\$8,725</u>	<u>\$23,843</u>	<u>\$22,420</u>	<u>\$(1,161)</u>	<u>\$45,102</u>
Gross Profit	4,206	946	5,152	2,974		8,126
Selling, general and administrative expenses	4,325	1,563	5,888	2,793		8,681
Other income (expenses)	129	7	136	121		257
Tax provision				57		57
Net income (loss) before corporate charges	10	(610)	(600)	245		(355)
Corporate charges (income)	(977)	371	(606)	606		-
Net income (loss)	<u>\$ 987</u>	<u>\$ (981)</u>	<u>\$ 6</u>	<u>\$ (361)</u>	<u>\$</u>	<u>\$ (355)</u>
Net income (loss) before corporate charges	\$ 10	\$ (610)	\$ (600)	\$ 245	\$	\$ (355)
Depreciation included above	422	496	918	438		1,356
Cash provided (applied to) operations	<u>\$ 432</u>	<u>\$ (114)</u>	<u>\$ 318</u>	<u>\$ 683</u>	<u>\$</u>	<u>\$ 1,001</u>

8/31/77

Exhibit A annexed to Affidavit of James D. Glass

ALFRED P. SLANER, REORGANIZATION TRUSTEE
THE DUPLAN CORPORATION
STATEMENT OF OPERATIONS OF DIVISIONS EXPECTED TO CONTINUE
FOR THE TEN MONTHS ENDED JULY 31, 1977
UNAUDITED
(000's OMITTED)

	CONSOLIDATED	CORPORATE	(NOTE 6) DILLON YARN TEXTURING	ROCHESTER BUTTON
Net Sales	<u>\$15,118</u>	<u>\$</u>	<u>\$1,212</u>	<u>\$ 13,906</u>
Gross profit	4,206		257	3,949
Selling, general and administrative expenses	4,325	1,059		3,266
Other income (expenses)	<u>129</u>	<u>100</u>	<u></u>	<u>29</u>
Net income (loss) before corporate charges	10	(959)	.257	712
Corporate charges (income)	<u>(977)</u>	<u>(1,548)</u>	<u>-</u>	<u>571</u>
Net income (loss)	<u>\$ 987</u>	<u>\$ 589</u>	<u>\$ 257</u>	<u>\$ 141</u>
Net income (loss) before corporate charges	10	(959)	257	712
Depreciation included above	<u>422</u>	<u></u>	<u>76</u>	<u>346</u>
Cash provided (applied to) operations	<u>\$ 432</u>	<u>\$ (959)</u>	<u>\$ 333</u>	<u>\$ 1,058</u>

Exhibit A annexed to Affidavit of James D. Glass
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8/31/77

ALFRED P. SLANER, REORGANIZATION TRUSTEE
 DUPLAN FABRICS, INC.
 (A WHOLLY OWNED SUBSIDIARY OF THE DUPLAN CORPORATION —
 ALFRED P. SLANER, REORGANIZATION TRUSTEE)
 STATEMENT OF OPERATIONS OF DIVISIONS EXPECTED TO CONTINUE
 FOR THE TEN MONTHS ENDED JULY 31, 1977
 UNAUDITED
 (000's OMITTED)

	Consolidated	Eliminations	DWK Fabrics	Naomi	(NOTE 7) Menswear	Prints
Net Sales	<u>\$ 8,725</u>	<u>\$ (783)</u>	<u>\$ 5,042</u>	<u>\$ 1,546</u>	<u>\$ 997</u>	<u>\$ 1,923</u>
Gross Profit	946		829	(70)	66	121
Selling, general and administrative expenses	1,563		770	107	214	472
Other income (expenses)	<u>7</u>	<u></u>	<u></u>	<u>7</u>	<u></u>	<u></u>
Net income (loss) before corporate charges	(610)		59	(170)	(148)	(351)
Corporate charges	<u>371</u>	<u></u>	<u>168</u>	<u>98</u>	<u>18</u>	<u>87</u>
Net Income (loss)	<u>\$ (981)</u>	<u>\$</u>	<u>\$ (109)</u>	<u>\$ (268)</u>	<u>\$ (166)</u>	<u>\$ (438)</u>
Net Income (Loss) before Corporate charges	(610)		59	(170)	(148)	\$ (351)
Depreciation included above	<u>496</u>	<u></u>	<u>73</u>	<u>423</u>	<u></u>	<u></u>
Cash provided from (applied to) Operations	<u>\$ (114)</u>	<u>\$</u>	<u>\$ 132</u>	<u>\$ 253</u>	<u>\$ (148)</u>	<u>\$ (351)</u>

Exhibit A annexed to Affidavit of James D. Glass

A 114

SUBSIDIARIES OF THE DUPLAN CORPORATION (ALFRED P. SLANER, REORGANIZATION TRUSTEE)
NOT INCLUDED IN THE BANKRUPTCY PROCEEDINGS
COMBINED STATEMENT OF OPERATIONS OF SUBSIDIARIES EXPECTED TO CONTINUE
FOR THE TEN MONTHS ENDED JULY 31, 1977
UNAUDITED
(000's OMITTED)

	<u>Consolidated</u>	<u>Andrex/Laga</u>	<u>Wundies</u>	<u>Kitchener Button</u>
Net Sales	<u>\$22,420</u>	<u>\$9,703</u>	<u>\$ 11,852</u>	<u>\$ 865</u>
Gross Profit	2,974	543	2,229	202
Selling, general and Administrative expenses	2,793	1,232	1,316	245
Other income (expenses)	121	146	32	(57)
Tax provision	<u>57</u>	<u> </u>	<u>71</u>	<u>(14)</u>
Net income (loss) before corporate charges	245	(543)	874	(86)
Corporate charges	<u>606</u>	<u>303</u>	<u>303</u>	<u>-</u>
Net income (loss)	<u>\$ (361)</u>	<u>\$ (846)</u>	<u>\$ 571</u>	<u>\$ (86)</u>
Net income (loss) before corporate charges	\$ 245	\$ (543)	\$ 874	\$ (86)
Depreciation included above	<u>438</u>	<u>311</u>	<u>106</u>	<u>21</u>
Cash provided from (applied to) operations	<u>\$ 683</u>	<u>\$ (232)</u>	<u>\$ 980</u>	<u>\$ (65)</u>

Exhibit A annexed to Affidavit of James D. Glass

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8/31/77

ALFRED P. SLANER, REORGANIZATION TRUSTEE
THE DUPLAN CORPORATION AND DUPLAN FABRICS, INC.
AND OTHER SUBSIDIARIES NOT INCLUDED IN THE BANKRUPTCY PROCEEDINGS
NOTES TO CONSOLIDATING STATEMENT OF OPERATIONS EXPECTED TO CONTINUE

1. With respect to Companies operating under Chapter X, no determination has been made as to the efficacy or validity of any secured interest or claimed liens, and accordingly, the financial statements contain no interest charge for the related indebtedness (Primarily Bank Term Loans). In addition, interest on unsecured indebtedness ceased to accrue on the date the Companies filed petitions under the Bankruptcy Act.
2. The financial statements do not include the results of operations of businesses discontinued or expected to be discontinued (except for the Dillon Yarn Contract Texturizing Operation whereby Duplan is acting as a commission texturizer - See Note 6) pursuant to determinations made by the Board of Directors and/or the Reorganization Trustee. Any losses subsequent to October 3, 1976 related to such businesses are being charged to the reserve for discontinued businesses provided at October 3, 1976. Net sales of such entities for the month ending July 31, 1977 and the ten months then ended amounted to \$200,000 and \$5,875,000 respectively.
3. Consolidating results of operations expected to continue for the ten months are not necessarily indicative of the results of operations for a full year.
4. Cost of sales had been determined using perpetual inventories, and in certain instances, estimated cost percentages.
5. During the month and ten months ended July 31, 1977, The Duplan Corporation did not guarantee the amounts payable to vendors of any of its subsidiaries.
6. Commencing in April 1977, pursuant to signed contracts, Duplan will perform "commission texturizing" for 18 months at its Dillon facility. This commission yarn texturizing operation has been included in the consolidating results of operations expected to continue pending a determination by the Trustee of its status. The contracts generally require the customers to acquire all of Duplan's production at prices, which are subject to increases based on increased costs incurred by Duplan.
7. The operations of the Menswear Division of Duplan Fabrics, Inc. has been transferred to the Andrex operations effective April 3, 1977.

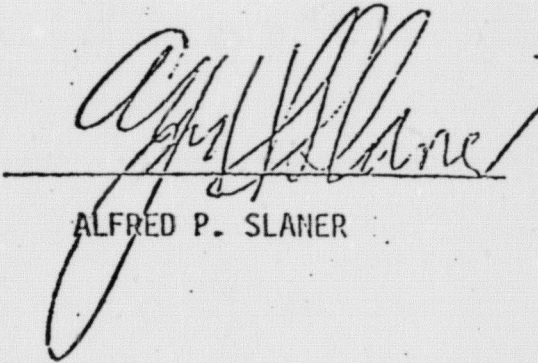
8/31/77

Exhibit A
Annexed to Affidavit of James D. Glass
A 116

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

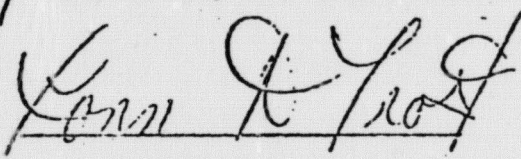
ALFRED P. SLANER as reorganization Trustee herein, being duly sworn deposes and says:

That he is the reorganization Trustee of The Duplan Corporation and Duplan Fabrics, Inc., he has read the within Statement of Operations which was prepared by the management of the debtors herein, and same is true and correct according to the best of his knowledge, information and belief.


ALFRED P. SLANER

Sworn to before me this

9th day of September, 1977


LONN A. TROST
Notary Public, State of New York
No. 31-4523114
Qualified in New York County
Commission Expires March 30, 1978

ROCHESTER BUTTON COMPANY

Collective Bargaining Agreement with The Rochester Joint
Board Amalgamated Clothing and Textile Workers Union

Comparative Costs of Article 15

Termination As At

	<u>October 1, 1977</u> Contract has 36 months to run Includes the June 1, 1977 \$.30 per hour wage increase	<u>April 1, 1978</u> Contract has 30 months to run Includes the January 1, 1978 \$.30 per hour wage increase	<u>October 1, 1978</u> Contract has 24 months to run Includes a \$.30 per hour wage increase Includes maximum cost of living increase (\$.15 per hour)		<u>February 1, 1979</u> Contract has 20 months to run Includes maximum cost of living increase (\$.15 per hour)	
Rochester	\$4,056,000	\$3,571,000	\$3,010,000	\$3,086,000	\$2,508,000	\$2,572,000
Wellsville	1,469,000	1,307,000	1,112,000	1,146,000	927,000	955,000
Akron	<u>862,000</u>	<u>766,000</u>	<u>652,000</u>	<u>671,000</u>	<u>543,000</u>	<u>559,000</u>
TOTAL	<u>\$6,387,000</u>	<u>\$5,644,000</u>	<u>\$4,774,000</u>	<u>\$4,903,000</u>	<u>\$3,978,000</u>	<u>\$4,086,000</u>

SCHEDULE OF COMPARATIVE COSTS OF ARTICLE 15 OF THE
MEMORANDUM OF AGREEMENT TO THE ESTATE

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 -----X
4 IN RE: :
5 THE DUPLAN CORPORATION : 76 B 1967 (KtD)
6 DYPLAN FABRICS, INC. : 76 B 1968
7 -----X

8 September 27, 1977
10:00 a.m.

9 Before: HON. KEVIN THOMAS DUFFY,
10 District Judge

11 APPEARANCES

12
13 SHEA, GOULD, CLIMENKO & CASEY
14 Attorneys for Trustee
15 BY: LOUIS A. TROST, ESQ.,
of Counsel.

16 ZALKIN, RODIN & GOODMAN
17 Attorneys for Secured Bank Lenders
750 Third Avenue
18 New York, New York
BY: JAMES D. GLASS, ESQ.,
of Counsel.

19 JOHN R. CAMPBELL, ESQ.,
20 Attorney for Indenture Trustee

21 SECURITIES & EXCHANGE COMMISSION
BY: ERIK ASCHENBRENNER, ESQ.

22 MICHAEL T. HARREN, ESQ.,
23 Rochester Joint Board-Amalgamated
Clothing Wear Workers.

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2 discovery and inventions and processes which might be de-
3 veloped by Mr. Marx and Mr. Rosenthal while in the employ
4 of Duplan, and I think the Commission was concerned that
5 certain language be amended to the effect that those dis-
6 coveries and processes remain the property of Duplan, if
7 developed during their tenure.

8 MR. TROST: A letter agreeing to that effect has
9 been agreed to.

10 Counsel for Messrs. Rosenthal and Marx is out of
11 the country. As soon as he returns that will be executed
12 and delivered.

13 The understanding which the SEC has requested has
14 been agreed upon by Rosenthal and Marx.

15 THE COURT: All right.

16 MR. TROST: Your Honor, the next application --

17 THE COURT: How many inventions do you have with
18 buttons?

19 MR. TROST: Your Honor, the next matter similarly
20 relates to Rochester, and it relates to a union contract
21 negotiated by representatives of the trustee.

22 THE COURT: This one I am really interested in.
23 Go ahead.

24 I think that the union should be heard.

25 MR. TROST: The union is here, your Honor.

THE COURT: Let me hear from them first.

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2 MR. HARREN: My name is Michael Harren. I am
3 representing the Rochester Joint Board.

4 The contract provision which is being contested
5 here is not new to this contract. It has been in the
6 Rochester Joint Board contract with Rochester Button Company
7 in the past.

8 The change in this contract relates to an agree-
9 ment to arbitrate a severance pay clause if a liquidation or
10 a transfer plan occurs in the closing moments of the contract.

11 The employees are greatly concerned with both --
12 with either a removal of operations or a closing of the
13 Rochester operation. That is the reason that this provision
14 was insisted on at the bargaining table, and the reason that,
15 perhaps, other things were given up at the table.

16 The provision being challenged here, the severance
17 pay language, is part of the entire contract, and I believe
18 that even those cases discussing this Court's power to set
19 aside even collective bargaining agreements which are signed
20 prior to that, have instructed the Court to give special
21 deference to collective bargaining agreements.

22 The agreement made was one reached after several
23 months of difficult negotiations. We feel that it protects
24 the workers and that is the reason we are insisting that
25 provision remain in.

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2 MR. GLASS: Your Honor, I regret that I am handing
3 up an affidavit in opposition to that portion of the contract
4 to which Mr. Harren referred, with admissions of service, at
5 this late date, but it has been served upon all the parties.

6 Your Honor, the thrust of the affidavit, I will be
7 as brief as possible, is that article 15(d) which deals with
8 severance pay could create an administration of expense of
9 as much as \$6.4 million dollars in the event that Rochester's
10 business is terminated for economic reasons, as contrasted
11 with what we call a runaway shop.

12 The trustee -- someone has prepared a schedule of
13 what it would be -- what it would be, the cost to the estate,
14 administration expenses, which might be paid 100 cents on
15 the dollar in the event that the Rochester operation is
16 terminated by reason of economic reasons rather than a
17 runaway shop, which I will deal with separately.

18 Does your Honor have a copy of this?

19 I would like to focus your attention, if you will,
20 on the numbers. The contract is terminated, let's say,
21 right away, the amount of the administration expense would
22 be 6.4 million dollars.

23 If it is terminated in April of 1978 it would be
24 5.6 million, and October of '78 it would be between 4.7 and
25 4.9 million dollars, and in February of '79 it would be

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2 roughly 4 million dollars -- I am rounding out numbers.

3 Your Honor, I direct your attention respectfully
4 to the last report submitted by the trustee of operations
5 for the 10 month period ending July 31, 1977.

6 This report shows for the Rochester Button Company
7 a net profit on sales of almost 14 million dollars of \$141,000
8 dollars.

9 It is fairly clear at this point, your Honor, that
10 this is a marginal operation. We all hope, in view of Mr.
11 Rosenthal's and Mr. Marx's entry into the picture that
12 Rochester will return to profitability, but it is still very
13 much up in the air.

14 We do not have the benefit of the trustee's
15 report on his views of reorganizability of this company, of
16 Rochester, or any aspect of it, and we are deeply concerned
17 about the creation of an administration expense of this
18 enormity.

19 Your Honor, as we all know, if the trustee in a
20 Chapter 10, or debtor in possession in Chapter 11, enters
21 into an agreement and that agreement is terminated for any
22 reason, the damages arising out of that termination are ad-
23 ministration expenses which must be paid 100 cents on the
24 dollar prior to other creditors, or let's call them pre-
25 petition creditors, receiving any portion -- or any return on

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2 the monies due them.

3 The numbers here are staggering, as your Honor
4 will see from the schedule.

5 Your Honor, the banks, who are the primary cre-
6 ditors in this case, having claims of 3.8 million dollars,
7 although we have the collateral, as my affidavit points out,
8 your Honor, taking the trustee's valuation of our collateral
9 at something like 15 to 17 million dollars, we still show a
10 short fall in excess of 20 million dollars, and we are very
11 substantially interested in the outcome of this case.

12 We have not opposed the increases, wage increases,
13 that the union has sought, and have been agreed upon.

14 These wage increases, if I might respectfully
15 direct the Court's attention to Exhibit E to the trustee's
16 application, show that for the period commencing June 1
17 there will be a wage increase of \$112,000; another one on
18 February 1, '78 of \$113,000; October 1, '78, \$240,000 or a
19 total at the end of the contract period of \$650,000 again,
20 rounding figures, your Honor.

21 We don't oppose that, despite the less than happy
22 operating results of Rochester. That is a risk the banks are
23 willing to take. We want the employees to be able to obtain
24 wage increases which are commensurate with the cost of living
25 but to impose a potential administration burden on this estate,

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2 which could impact adversely on the creditors in the event
3 that the trustee either decides to discontinue Rochester's
4 operations, Rochester or Duplan is adjudicated as bankrupt
5 or there is a Chapter 10 claim in the nature of liquidation,
6 that would mean, for all practical purposes, that all
7 creditors would suffer a severe diminution of any return to
8 them.

9 Last, your Honor, the original intent of this
10 clause as has been explained to us is that it has been a
11 runaway shop clause, that the union was concerned about
12 Rochester relocating to some other area, usually the South,
13 and this was to afford the union employees protection against
14 losing employment, not for economic reasons but because of
15 relocation.

16 We respectfully submit, your Honor, if that is
17 the type of protection that the union is seeking, we have no
18 opposition to that because if the shop should relocate, then
19 these employees should be compensated. But it is our under-
20 standing that it is the trustee's intention that so long as
21 Rochester Button operates it will remain where it presently
22 is located and that should not prove to be a problem.

23 To hamper the trustee in this fashion and to
24 impact so severely, or potentially so severely on the cre-
25 ditors with a severance pay provision of this magnitude would

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2 be totally unjust and improper, and we feel, your Honor,
3 that if it requires a rejection of the contract in toto,
4 then we would support such a position, but if we could take
5 what seems to be a proper position, that is to grant the
6 union a runaway shop clause, we would support such a provision.

7 MR. CAMPBELL: Sir, we support the position of the
8 banks as stated, and add these points:

9 Counsel for the union mentions the rules which
10 suggest a favoring under the National Labor Relations Act of
11 the union contract, but there are other rules such as our
12 clients, the subordinated debenture holders rules under the
13 Securities Act which indicate that the group also should have
14 portection.

15 This case here would suggest that with this
16 severance pay as an administrative expense it would be cheaper
17 to keep the plant going at a million dollar loss a year and
18 avoid the severance pay that would be to close it down.

19 We do not agree with the runaway shop position just
20 stated because the union has you as protector in that regard,
21 and we believe you have the residuary jurisdiction to decide
22 whether or not the plant should be closed or moved, and it
23 might be that in -- in a reorganization it might be that a
24 plant should be moved, and it would not be a runaway shop.

25 If that event arises, you will hear from all sides,

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2 I'm sure, but there is no reason why any reorganization
3 the Court should not retain jurisdiction without excessive
4 termination clause to permit the plant to be closed or
5 moved.

6 We think in the interests of the subordinated
7 debt, which does not even have that 15 million dollars of
8 collateral described on a discounted basis, it is very im-
9 portant not to assume this clause, and we suggested that in
10 a counter order submitted in July to you, which I think
11 suggests only that this clause of the contract should be
12 taken out.

13 We do not see why the union is entitled to that
14 kind of protection, or its employees are entitled to that
15 kind of protection, and we think that they are getting
16 considerable benefits by the creditors submitting the con-
17 tinued operation of the company at all.

18 Thank you.

19 THE COURT: Mr. Trost.

20 MR. TROST: Your Honor, the union contract with
21 Rochester and the Rochester's Joint Board Amalgamated
22 Clothing and Textile Workers has been in existence with
23 Rochester since the 1930's -- at least the last three con-
24 tractual undertakings have included an article 15 type
25 provision with respect to severance and/or termination pay.

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2 The particular contract in question terminated in
3 June 1 of this year.

4 Pursuant with the terms of the collective bar-
5 gaining agreement it was to be renegotiated in the early
6 part of this year.

7 With that in mind, the trustee and his represent-
8 atives attempted to negotiate the best contract he could
9 under the circumstances of a chapter 10 proceeding and under
10 the circumstances --

11 THE COURT: I am sure of that. Go ahead.

12 MR. TROST: Now, the trustee does admit that this
13 is an onerous provision, it is an onerous provision and a
14 burdensome provision; however, this is the best he could do.
15 The union has indicated to us at every negotiation that
16 they would strike over this, a strike which would destroy
17 the whole entire Rochester operation.

18 THE COURT: Does anyone else wish to be heard
19 on this?

20 MR. ASCHENBRENNER: Your Honor, the position of
21 the Securities & Exchange Commission is that we have no ob-
22 jection to the application as it is submitted, and we would
23 only like to note that we have reviewed the application and
24 it is our feeling that the trustee is both obligated and
25 authorized under the sections of the bankruptcy act, par-

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2 ticularly Section 189, to conduct the operation of the
3 business and manage the property of the debtor, and we feel
4 that in that context, while the provision may be subject to
5 controversy, it is an agreement which has been worked out
6 at arm's length and is one which is appropriately within the
7 domain of the trustee.

8 THE COURT: It is absolutely astounding to me
9 that the SEC would agree with me, particularly someone whom
10 I did not train myself.

11 We have this motion, I guess, to con firm the
12 contract -- is that what it is?

13 MR. TROST: That is correct.

14 THE COURT: The motion is granted.

15 MR. TROST: Thank you, your Honor.

16 That is all we have this morning, your Honor.

17 MR. GLASS: If the union is represented here by
18 a representative, could we take some testimony from that
19 representative, your Honor?

20 I hate to burden the Court, but I think that the
21 magnitude of this contract and the potential impact, negative
22 impact on the reorganization, is of such significance in
23 this case, which is a case that has problems, as your Honor
24 is well aware, that I would like an opportunity, and I don't
25 know if Mr. Campbell would like an opportunity, to examine

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2 the union representative to determine whether or not the
3 factors -- whether the union is seeking a runaway shop
4 clause rather than an economic termination clause, which is
5 what it is.

6 I think this is such a significant issue, your
7 Honor, that with your Honor's permission, I would like an
8 opportunity to examine the representative of the union.

9 MR. HARREN: There is no representative of the
10 union able to give testimony. I am not familiar with the
11 history of these negotiations. They were handled by the
12 business representative who is not here now, not even in
13 Rochester this week.

14 THE COURT: You are making a motion to vacate my
15 order?

16 MR. HARREN: I am representing the union.

17 THE COURT: You are?

18 MR. GLASS: Let's not call it a vacature, it is
19 to hold it in abeyance for an opportunity to examine the
20 union, to demonstrate that the relief, or the benefits re-
21 ceived far outstrip anything that was intended and is not
22 in fact customary.

23 THE COURT: Have you looked at the financials in
24 this entire thing?

25 MR. GLASS: I'm sorry, your Honor.

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2 THE COURT: Did anyone look at the financials
3 in this thing?

4 MR. GLASS: I did. I referred to them in my
5 affidavit as well as in the presentation, yes, we did,
6 your Honor.

7 In fact, I think appended to my affidavit as
8 Exhibit A is the most recent operating report, and if I
9 may respectfully refer your Honor to -- it is easier to
10 count from the back -- the fifth page from the back,
11 Rochester Button's operating results, which are not nearly
12 as good as in prior years, your Honor.

13 MR. TROST: Your Honor, that was one of the reasons
14 that our original application, our initial application, was
15 on this morning, to bring on Messrs. Rosenthal and Marx.

16 For the five years prior to the filing, Rochester
17 has only shown increases. If there was a problem, which we
18 feel there was, we brought in new management, prior manage-
19 ment, in fact, and there is no question but a hope in the
20 trustee's mind that there will be a resurgence in the business.

21 We have no alternative here.

22 MR. GLASS: May I respectfully point out that in
23 the year 1976 Rochester shows net sales of 23 and a half
24 million and profits of four million, whereas for the ten
25 month period --

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2 THE COURT: What you are talking about is a
3 possible liability --

4 MR. GLASS: A potential liability of 6.4 million
5 dollars, which --

6 THE COURT: Which Duplan has presently in the bank.

7 MR. GLASS: A substantial portion of that is the
8 proceeds of their collateral.

9 But your Honor, as I say, we are standing here
10 with an unsecured portion of somewhere in excess of two
11 million dollars. What we are doing is conferring an economic
12 benefit on the union which I don't believe, and I think
13 testimony would elicit it, that this was not the intention.

14 This is a runaway shop clause and they are ob-
15 taining benefits, your Honor, that were not bargained for.

16 To impose this type of--

17 THE COURT: You don't even know what you are
18 talking about. Go ahead.

19 MR. GLASS: Your Honor, I have been advised by
20 people who have negotiated or worked on this contract that
21 the original intention of the severance pay provision was to
22 preclude the relocation of Rochester to an area wherein the
23 employees who are presently employed by Rochester would no
24 longer be employed.

25 This was a way to protect them from what is called

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18

2 euphemistically, a runaway shop. Now we are changing the
3 concept of severance pay to include economic termination.

4 If the trustee should choose, your Honor, for any
5 reason, to try to dispose of all or any portion of Rochester,
6 he is burdened with this contract.

7 I think this may seriously hamper the reorganiz-
8 ability of this corporation, this entity, by being bur-
9 dened with this contract.

10 All I am requesting is an opportunity to examine
11 the union bargaining agent under oath to elicit what the
12 true facts of this case are.

13 I think it is very serious and could lead to a
14 very serious, detrimental result if this contract is ap-
15 proved in its present form.

16 MR. TROST: I would like to add two things. The
17 fact of the matter is three contracts ago the union contract
18 came into being with this particular provision, that the
19 runaway shop provision. The contract which has most recently
20 been negotiated, the basis was not necessarily a runaway
21 shop, it was both runaway shop and liquidation and termination.

22 The fact of the matter is the original contractual
23 demands made by the union required and demanded a minimum
24 payment of one year termination regardless of when the
25 operation in any of the plants were to terminate, be it a week

1 bsjt

19

2 before, six months before, or a year before the end of the
3 contract.

4 The trustee did what he could to carve that portion
5 out and leave it subject to an arbitration. It is onerous,
6 we cannot deny that; however, there is no intention on the
7 part of the trustee or Rochester, especially after putting
8 in new management now, to terminate Monday.

9 That six million dollar administrative expense
10 comes into play Monday. It becomes reduced as we go along.

11 MR. CAMPBELL: Sir, we join in what Mr. Glass has
12 said, but we also do not understand the Commission's position
13 because if this contract is approved, as your order has
14 indicated, it seems to us to put the secured lenders in a
15 position where they must seriously consider to determinate
16 operations, which leaves the subordinated debentures and
17 public security holders in a much more difficult position --
18 they are left only to their claims.

19 I find it very hard to understand the Commission's
20 position in that regard and also --

21 THE COURT: It doesn't matter whether you under-
22 stand it. I do.

23 MR. CAMPBELL: It seems to me that it is against
24 any reasonable plan, that is, before the chapter 11, if
25 there were these provisions in union contracts, and if the

1 bsjt

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2 Company went into proceedings, those rights were terminated
3 in accordance with the Bankruptcy Act. They were executory
4 contracts to be terminated, except within the limits pro-
5 vided in the statute.

6 Here we are creating a situation which upgrades
7 them beyond what they had when the company was profitable.
8 It is a very high bill to pay, and I question both the facts
9 and the law on it.

10 We are speaking for the subordinated debt. There
11 is no way we could agree with such a proposal, but we also
12 question whether this upgrading is not beyond the intent of
13 chapter 10.

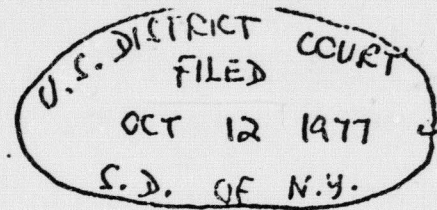
14 MR. TROST: We are not upgrading any contract.

15 THE COURT: I have read the papers.

16 The motion is granted,^o and that is all there is
17 to it.

18 (Time noted: 10:45 a.m.)
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ORDER OF JUDGE DUFFY APPEALED FROM ENTERED OCTOBER 12, 1977

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In Re

:

In Proceedings for
the Reorganization
of a CorporationTHE DUPLAN CORPORATION,
DUPLAN FABRICS, INC.,

:

76 B 1967 (KTD)
76 B 1968

:

Debtors.

:

ORDER

-----X

Alfred P. Slaner, as reorganization Trustee herein,
having moved by application dated June 30, 1977 (the "Application"),
for an order approving and authorizing the execution of the
Memorandum of Agreement ("Memorandum") by and between The Rochester
Button Company ("Rochester"), a division of The Duplan Corporation,
and The Rochester Joint Board Amalgamated Clothing and Textile
Workers Union (the "Union") and the Application having duly come on
to be heard on September 27, 1977, it is

NOW, on reading and filing the Application, the affidavits
of service annexed thereto, the affidavit of Malcolm J. Hood, a
Vice President of United States Trust Company of New York, indenture
Trustee herein, sworn to on July 13, 1977, and the proposed counter-
order annexed thereto, the August 25, 1977 letter of Lonn A. Trost,
Esq. to the Honorable Kevin T. Duffy, United States District Judge,
the order of this Court dated September 2, 1977, the affidavit of
James D. Glass, Esq., sworn to on September 24, 1977, the record
made at the hearing held before this Court on September 27, 1977

and after hearing Shea Gould Climenko & Casey, attorneys for the reorganization Trustee herein, by Lonn A. Trost, Esq., the Securities and Exchange Commission, by Erik Aschenbrenner, Esq. and Chamberlain & D'Amanda, attorneys for the Union, by Michael Harren, Esq., in furtherance of the Application, and after hearing Curtis, Mallet-Prevost Colt & Mosle, attorneys for the indenture Trustee herein, by John Campbell, Esq. and Zalkin, Rodin & Goodman, attorneys for the bank creditors herein, by James D. Glass, Esq. in opposition to the Application and upon all prior proceedings heretofore had herein and sufficient cause appearing therefor,

NOW, on motion of Shea Gould Climenko & Casey, attorneys for the reorganization Trustee herein,

ORDERED, that the Memorandum by and between Rochester and the Union, a copy of which is annexed to the Application as Exhibit "D" be and the same hereby is approved and the execution of the Memorandum be and the same hereby is authorized; and it is further

ORDERED, that Alfred P. Slaner, as reorganization Trustee herein, be and he hereby is authorized to do all things and to make, execute and deliver all documents and papers as may be necessary or appropriate to effectuate the intent of this order.

Dated: New York, New York
10/5, 1977

WCK KSD.

United States District Judge

EXCERPTS FROM TRANSCRIPT OF OCTOBER 19, 1977 (PAGES 1, 7 TO 9)

1 pgmf 1

2 IN RE:

3 THE DUPLAN CORPORATION
4 and DUPLAN FABRICS, INC.,

76 B 1967 (KTD)
76 B 1968 (KTD)

5 October 19, 1977
6 10:05 a.m.

7 MR. TROST: Today's hearing follows a long series
8 of applications pertaining to the Syntex Division of Duplan
9 Fabrics. It is a situation in which an entity was acquired
10 in 1968.

11 Following 1974 the losses were staggering. At the
12 time that the proceedings were instituted, management had
13 decided that a gradual shut down of the operation was in
14 order. The trustee reviewed it with Leidesdorf and decided
15 that regeneration would not be productive.

16 Accordingly, in March authorization was sought to
17 have the machinery and equipment appraised and sold. Hear-
18 ings were held.

19 In July we sought authority to sell the plant pro-
20 vided it was for 75 percent of the appraised value.

21 THE COURT: At least 75 percent.

22 MR. TROST: Your Honor, the appraisals were taken
23 as an appraisal should be with respect to the particular
24 items and their general nature.

25 The trustee in his efforts was able to sell the

* * *

1 pgmf 7

2 Mr. Aschenbrenner, do you have anything to say?

3 MR. ASCHENBRENNER: No, Your Honor.

4 MR. CAMPBELL: One additional point, Your Honor:

5 You ordered last week or two weeks ago that the union
6 contracts as proposed by the trustee be confirmed. You said
7 to the bank lenders and ourselves, bank lenders' counsel and
8 myself, you hoped we would favor you with a copy of our ap-
9 peal. The only controversial issue was the severance pay
10 clause of the union contract.

11 We asked that if there is any possibility the court
12 reconsider the finality of its order and reopen the point of
13 taking testimony for the reason that it seems, in view of
14 some, there is a chance of a remand to take testimony with
15 regard to the trustee and union representative, and we raise
16 the question if it would not be an insurance policy to reopen
17 the question for record purposes not really confidently
18 anticipating any different result at this level.

19 THE COURT: You figure you are going to lose, but
20 you would like to have a record made?

21 MR. CAMPBELL: We are losing with more efficiency
22 if it is done based on the complete record rather than an
23 incomplete record.

24 THE COURT: Except for one thing: Once you file
25 a notice of appeal you have ousted me of jurisdiction. I

1 pgmf 8

2 cannot have this.

3 MR. CAMPBELL: If it is possible that that juris-
4 dictional defect could be remedied by withdrawal --

5 THE COURT: I could just imagine.

6 You don't want to do that. Go with what you have.

7 MR. CAMPBELL: Suppose we are saying that not
8 receiving agreement from the court here we will have a longer
9 argument with the judge.

10 THE COURT: Enjoy yourself.

11 MR. TROST: I was inquiring from Mr. Campbell whether
12 or not he filed an appeal. I was unaware of it. I don't
13 think anyone has.

14 MR. CAMPBELL: Your Honor, my understanding was that
15 the banks were about to take an appeal, and we were following
16 suit following the religious argument I made last time that
17 we would do so. I am not sure of the state of the pro-
18 ceedings this morning.

19 THE COURT: I believe that I said the last time that
20 there was no indication whatsoever from anyone that the union
21 contracts were not negotiated in good faith; that some of the
22 provisions were carryover provisions, were, as they say in
23 labor law, "ever green provisions"; that the severance pay
24 position was similar to an "ever green provision," and that
25 under the circumstances I would not change the provision or

1 pgmf 9

2 the contract.

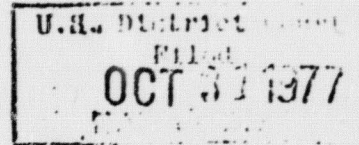
3 I believ d that I thought that the trustee was
4 acting properly, and under the circumstances I see no reason
5 for a hearing with testimony and a record to be made in this
6 situation.

7 MR. TROST: Thank you, Your Honor.

8 (Time noted: 10:45 a.m.)
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NOTICE OF APPEAL OF CHEMICAL BANK, ET AL.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



-----x
In re

THE DUPLAN CORPORATION,
DUPLAN FABRICS, INC.,

Debtors.

In Proceedings for
the Reorganization
of a Corporation

76 B 1967 (KTD)
76 B 1968

NOTICE OF APPEAL

-----x

NOTICE is hereby given that Chemical Bank, The First National Bank of Chicago, North Carolina National Bank and Security Pacific National Bank (collectively, the "Appellants") hereby appeal to the United States Court of Appeals for the Second Circuit from so much of the order of the Hon. Kevin T. Duffy, United States District Judge, entered in this proceeding on October 12, 1977 (the "Order") which (a) approved Article "XV D" (the "Article") of the Memorandum of Agreement (the "Agreement") by and between Rochester Button Company, a division of The Duplan Corporation ("Duplan"), one of the debtors herein, and The Rochester Joint Board Amalgamated Clothing and Textile Workers Union and (b) authorized Alfred P. Slaner, Duplan's Reorganization Trustee, to do all things and to make, execute and deliver all documents and papers as

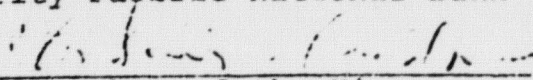
A 143
Notice of Appeal of Chemical Bank et al.

may be necessary or appropriate to effectuate the intent of the Order including the Article of the Agreement.

DATED: New York, New York
October 3, 1977

ZALKIN, RODIN & GOODMAN
Attorneys for Appellants,
Chemical Bank, The First
National Bank of Chicago, North
Carolina National Bank and
Security Pacific National Bank

By


A Member of the Firm
750 Third Avenue
New York, New York 10017
(212) 682-6900

TO:

Shea Gould Climenko & Casey, Esqs.
Attorneys for the Trustee
330 Madison Avenue
New York, New York 10017
Attn.: Martin I. Shelton, Esq.

Securities and Exchange Commission
New York Regional Office
26 Federal Plaza
New York, New York 10007
Attn.: Jerome Feller, Esq.

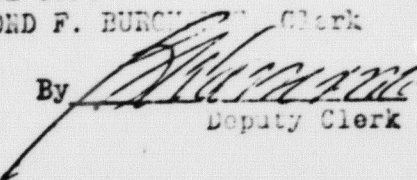
Curtis, Mallet-Prevost Colt & Mosle, Esqs.
Attorneys for United States Trust
Company of New York, Indenture Trustee
100 Wall Street
New York, New York 10007
Attn.: John P. Campbell, Esq.

Michael T. Harren, Esq.
Attorney for The Rochester Joint
Board Amalgamated Clothing and
Textile Workers Union
1100 Cross Roads Building
2 Main Street East
Rochester, New York 14614

A TRUE COPY

RAYMOND F. BURCH Clerk

By


Deputy Clerk

-----X

In Re : In Proceedings for the
 : Reorganization of a
 : Corporation
 :
 THE DUPLAN CORPORATION, :
 DUPLAN FABRICS, INC., :
 :
 : 76 B 1967 (KTD)
 : 76 B 1968
 :
 Debtors. :
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 : AMENDED NOTICE OF APPEAL
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S I R S :

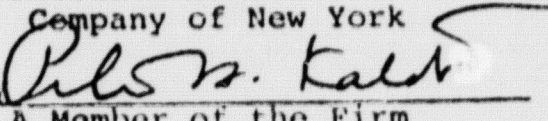
NOTICE is hereby given that United States Trust Company of New York (the "Appellant"), Successor Indenture Trustee of the Duplan Corporation's 5 1/2% Convertible Subordinated Debentures due February 1, 1994 under an Indenture dated as of February 1, 1969, hereby appeals to the United States Court of Appeals for the Second Circuit from so much of the Order signed October 5, 1977 by the Hon. Kevin T. Duffy, United States District Judge, Southern District of New York, and entered in these proceedings on October 12, 1977, which (a) approved Article "XV D" (the "Article") of the Memorandum of Agreement ("Memorandum") by and between the Rochester Button Company, a division of The Duplan Corporation ("Duplan"), and the Rochester Joint Board Amalgamated Clothing and Textile Workers Union and approved the execution of the Memorandum including the Article and (b) authorized the Reorganization Trustee of Duplan to do all things, and to make, execute and deliver all documents and papers, which may

Amended Notice of Appeal of Successor Indenture Trustee

be necessary or appropriate to effectuate the intent of said Order, including the Article of the Memorandum.

Dated: New York, New York
November 17, 1977

CURTIS, MALLET-PREVOST,
COLT & MOSLE
Attorneys for Appellant,
United States Trust
Company of New York

By 
A Member of the Firm
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TO: Shea Gould Climenko & Casey
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330 Madison Avenue
New York, New York 10017
Att: Lonn A. Trost, Esq.

Securities and Exchange Commission
New York Regional Office
26 Federal Plaza
New York, New York 10007
Att: Jerome Feller, Esq.

Zalkin, Rodin & Goodman
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Att: James D. Glass, Esq.

Bader & Bader
Attorneys for Independent Investor
Protective League, Inc. and
Morris L. Lewy
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New York, New York

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Att: Arnold Hackmyer, Esq.

Krantz, Landau, Lieb & Nostrand
Attorneys for Rock National Corp.
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Mr. Milton Klein
84 Tardy Lane
Wantagh, New York

Hahn, Hessen, Margolis & Ryan
Attorneys for Various Creditors
350 Fifth Avenue
New York, New York 10001
Att: William Fabrizio, Esq.

Striker, Striker & Stenby
360 Lexington Avenue
New York, NY 10017
Att: Alan Israel, Esq.

Michael T. Harren, Esq.
Attorney for The Rochester
Joint Board Amalgamated
Clothing and Textile Workers
Union
1100 Crossroads Building
2 Main Street East
Rochester, New York 14614

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

In re

THE DUPLAN CORPORATION, DUPLAN FABRICS, INC.,

Debtors.

CHEMICAL BANK, THE FIRST NATIONAL BANK OF CHICAGO, NORTH
CAROLINA NATIONAL BANK AND SECURITY PACIFIC NATIONAL BANK,

Appellants,

UNITED STATES TRUST COMPANY OF NEW YORK, Successor Indenture Trustee
for the 5½% Subordinated Debentures of The Duplan Corporation, due February 1, 1994,

Appellant,

THE ROCHESTER JOINT BOARD AMALGAMATED CLOTHING
WORKERS OF AMERICA, AFL-CIO,

ALFRED P. SLANER, REORGANIZATION TRUSTEE,

Appellee,

Appellee.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

State of New York,
County of New York,
City of New York—ss.:

DAVID F. WILSON

being duly sworn, deposes

and says that he is over the age of 18 years. That on the 5th
day of January, 1978, he served one copies of the
Joint Appendix on
Chamberlain, D'Amada, Bauman, Chatman & Oppenheimer

the attorney s for the Appellee Rochester Joint Board
by depositing the same, properly enclosed in a securely sealed
post-paid wrapper, in a Branch Post Office regularly maintained
by the Government of the United States at 90 Church Street, Borough
of Manhattan, City of New York, directed to said attorney s at
No. 1100 Cross Roads Building, 2 Main Street () N. Y.,
East, Rochester
that being the address designated by the m for that purpose upon
the preceding papers in this action.

David F. Wilson
.....

Sworn to before me this

5th day of January, 1978.

Courtney Brown
COURTNEY BROWN

Notary Public, State of New York

No. 31-5472929

Qualified in New York County
Commission Expires March 30, 1978

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

In re

THE DUPLAN CORPORATION, DUPLAN FABRICS, INC.,

Debtors.

CHEMICAL BANK, THE FIRST NATIONAL BANK OF CHICAGO, NORTH
CAROLINA NATIONAL BANK AND SECURITY PACIFIC NATIONAL BANK,

Appellants,

UNITED STATES TRUST COMPANY OF NEW YORK, Successor Indenture Trustee
for the 5½% Subordinated Debentures of The Duplan Corporation, due February 1, 1994,

Appellant,

THE ROCHESTER JOINT BOARD AMALGAMATED CLOTHING
WORKERS OF AMERICA, AFL-CIO,

ALFRED P. SLANER, REORGANIZATION TRUSTEE,

Appellee,

Appellee.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

State of New York,
County of New York,
City of New York—ss.:

DAVID F. WILSON, being duly sworn, deposes
and says that he is over the age of 18 years. That on the 5th
day of January, 1978, he served one copies of
Joint Appendix on
Jerome Feller, Esq., the attorney
for Securities and Exchange Commission
by delivering to and leaving same with a proper person in charge of
his office at 26 Federal Plaza
in the Borough of Manhattan, City of New York, between
the usual business hours of said day.

David F. Wilson

Sworn to before me this

5th day of January, 1978.

Courtney Brown

COURTNEY L. BROWN
Notary Public, State of New York
No. 31-5472929
Qualified in New York County
Commission Expires March 30, 1978

SEE INSIDE FOR SERVICE